75th ANNIVERSARY
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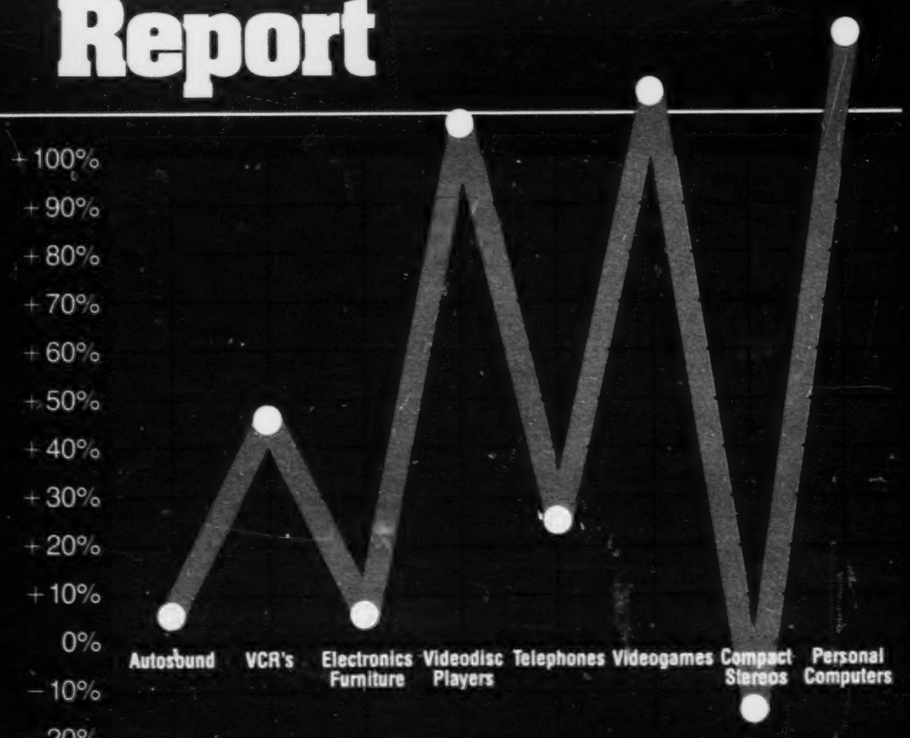
8th Annual Electronics Statistical & Marketing Report

Tracking the health of consumer electronics shipments for 1982, Merchandising pinpoints what's hot & what's not



Manufacturers' projected shipments for 1982 compared with shipments for 1981

Coast-to-coast crew of Mystery Shoppers uncovers the good and the not-so-good sides of your sales force

Also in this issue:

- Price deals abound at the Summer Housewares Show
- Need money? It may be as close as your own home
- Audio retailers consider a Winter CES boycott
- Kerosene heaters step into the Hardware Show spotlight
- Merchandising introduces: New Releases in Videogame Software
- Audio Recording Rights Coalition prepares for battle

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Merchandising

FOR OVER 56,000 RETAILERS & WHOLESALERS
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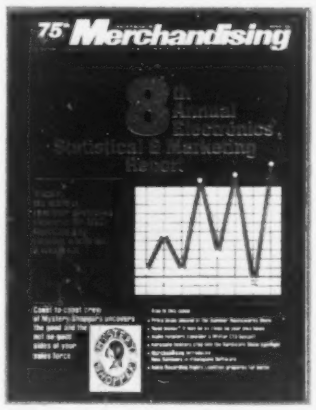
75th ANNIVERSARY



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Few Consumer Electronics Products Are Expected To Live Up To Past Rates Of Growth

Consumer electronics products appear to be arranging themselves into two camps this year—those with the youth or the strength to power themselves through the deepest recession since World War II and those that are either too old or just too tired to buck the economic trends that signal little if any growth for 1982.

In this Eighth Annual Electronics Statistical & Marketing Report, *Merchandising* turns to the manufacturers and polls them on their outlook for the year as a whole. How is it all going to turn out after that crucial fourth quarter is over? That's the information we seek each July.

As the magazine went to press, economists were beginning to hedge their projections for a late-summer end to the recession. And the manufacturers themselves appeared to be exercising caution as well. Few products were expected to register the rates of growth that the industry has become accustomed to in the past.

By and large, those products that will do well this year are ones that have been introduced recently and have managed to generate a spark of interest among jaded consumers who do not have the disposable income to try every new toy that comes along.

EIGHTH ANNUAL ELECTRONICS STATISTICS & MARKETING REPORT

Videogames and home computers are among the most obvious winners. The new generation of video gear, electronics furniture and portable tape products are also doing well. Those hurting include most other audio products, black and white TV's and non-video electronic games.

A category-by-category look to compare projected growth for 1982 with reported growth for 1981 shows:

VIDEO: Color TV's are predicted to make a miniscule gain of 0.8 percent this year compared with a growth rate of 3.7 percent last year. Black and white TV shipments are expected to be off 3.3 percent compared with a 6.2 percent decline the previous year. Projection TV's should register 16.5 percent growth compared with a growth rate of almost 42 percent in 1981. VCR shipments should be up 49.8 percent compared with a 65 percent rate of growth the previous year. And video camera shipments are expected to jump 77.4 percent this year, up from 62 percent the year before. Videodisc players, expected to register a 108.1 percent growth in shipments this year, were not tracked last year.

ELECTRONICS FURNITURE: This category is being tracked for the first time this year, so no comparisons with previous years are possible.

PERSONAL ELECTRONICS: Videogames, the manufacturers report, should blast in with a 115.5 percent jump in shipments this year compared with an increase of just under 43 percent the previous year. Personal computers are expected to register 127.8 percent growth compared with 60.9 percent in 1981. Electronic games, it is predicted, will drop 17.8 percent compared with a 16 percent decline the year before. Phones, another winner, are expected to post a 28.6 percent rate of growth for 1982 compared with 19.4 percent for 1981. Phone answerers should grow 23.1 percent compared with 20.4 percent the year before. Calculators should register a small rate of growth, 4.4 percent, compared with 6.6 percent in 1981. Digital watches, it is predicted, will grow by 3.3 percent compared with 11.5 percent the year before. Finally, radar detectors should register a significant 12.2 percent growth rate compared with an 11.6 percent jump in shipments between 1980 and 1981.

AUDIO: Audio components are projected to register a 3.2 percent drop in shipments for 1982. This compares with a dip of 2.7 percent the year before. Console stereo, which showed a 4.2 percent decline in 1981, does not show up in the statistics at all this year with manufacturers reporting figures so low as to defy accurate tracking. Compact systems also suffered. Shipments are expected to drop 16.8 percent for 1982 compared with a 9.3 percent dip for 1981. Autosound, on the other hand, should show a 7.3 percent jump in shipments for 1982. This compares with a 4.8 percent rate of growth from 1980 to 1981. Overall, radios should slip 2.3 percent this year compared with a 3.2 percent increase for the previous year. Finally, portable tape units (not including personal portables, which proved too elusive to track) should turn in an overall 6.1 percent dip in sales this year compared with an 18.7 percent increase the year before. It must be noted, however, that this figure does not illustrate the explosive "boombox" category. On its own, this product is expected to register a growth in shipments of 24.6 percent this year. This follows 29.1 percent growth from 1980 to 1981.

SOFTWARE: In this category, blank audiotape is projected to register a five percent rate of growth by the time 1982 is tallied. This compares with a 0.7 per cent increase in the previous year. Blank videotape should fare better. An overall rate of growth of 43.3 percent is predicted for 1982. However, this compares with a 74.4 percent growth rate the year before. Prerecorded videocassettes should grow by 35.1 percent in 1982 compared with a growth rate of 64 percent from 1980 to 1981.

All in all, the health of the consumer electronics products tracked in this survey is uneven. There are some big winners and an almost even number of major losers.

Merchandising will take a final look back at full-year 1982 in the March 1983 issue. A year from now, projections will be made for 1983. By then, it is hoped, a full-scale recovery will have turned some of these figures around—and even the strong products will be stronger.

—**Lee Rath**
editor

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STATISTICAL MATTER for this survey was collected and compiled by **Selma Book**, *market research manager, and* **Roberta Janasz**, *research associate.*

Design: **THUMBNAIL GROUP**

Video Products Should Show Growth As New Products, Styles Attract Consumers

Despite the poor economic conditions that are plaguing most businesses this year, the video industry, overall, is expected to continue to grow. Fortunately, the demand for home entertainment products—particularly video—has not slackened greatly during these "hard times."

With the emergence of new and higher technological products, retailers are reporting that the demand for good color television is very strong. Apparently, it's hard for a consumer to imagine connecting a videocassette recorder, a videodisc, a videogame or a home computer to a small-screen or outdated television.

This philosophy has also created a noticeable change in cabinet styling demands. The sets with more modern cabinetry will see the most increase this year, proving that the high-tech look is where the action is.

And ready to fall right into step are the component television monitors, the center and catch-all unit for all peripheral products. These high-tech units are expected to be a big business soon now that almost every manufacturer is getting involved. However, because these component systems were not widely available in the first half, we did not track them.

The 19-in. screen size remains the most popular, especially with the younger consumer. With high interest rates and the limited availability of houses in many parts of the country, the young customers, often apartment dwellers, have turned to the 19-in. set since it provides a good sized picture yet does not take up a tremendous amount of floor space.

Cable TV Helps

The advent and rapid growth of cable television has made its impact on the color television business as well. A large portion of 19- and 25-in. sets, as well as some smaller models, are cable compatible and offer the consumer easy access to the wide assortment of programming that is now available in many areas.

Remote control sales are booming too, and cable is largely responsible. In many areas, the cable-compatible set and remote eliminate the need for the cable box, which many consumers find unattractive. And now that remotes have more features, are lightweight and less expensive, it has been easy for retailers to upgrade their TV customers to a remote-controlled set.

Cable has also affected the makeup of the newer videocassette recorders. Many of the upcoming introductions and a number of older models are cable compatible and can be used to record programming off of the cable stations.

Now that there are more options for the television viewer, VCR's can play an even bigger role in his life. Previously, it was easy to choose between two TV shows, knowing that both would be repeated later in the year. Now, the advent of cable cultural, sports and other types of programming has made it more difficult to choose.

VCR shipments will probably fall just short of the two million mark this year, with the majority of business falling in the high- and low-end categories. Either the customer wants all of the features, or he just wants a unit that will record a few programs off the air. The mid-priced models are not moving as well, forcing significant discounting at the retail level.

Projection television sales will fall below what was first predicted, due mainly to high interest rates. To many consumers, it makes more sense to buy two or three products with $3,000 than one projection television. In addition, space limitations in many apartments and small homes prevent the use of these sets.

Videodiscs Show Growth

Videodisc players are projected to increase the most this year, which should come as no surprise. After all, the product is very young, still quite immature, and can do little but increase in sales.

Since the average American spends less time at home than ever before, a large market has been created for portable video products. All of them—VCR's, cameras and small-screen televisions—have increased significantly.

Because the product is so young, publishable statistics were not received on portable VCR's, but some sources indicated that they will comprise roughly 30 percent of all VCR sales this year.

Interest in color cameras continues to grow with the high-end units selling very well. As cameras continue to become lighter in weight, offer more features and lower prices, sales will rise even more.

It is interesting to note that hardware sales are split mainly between the video specialty store and the TV/appliance outlet. It seems that more consumers are buying their televisions in the TV/appliance store, while the more complicated equipment, such as VCR's and projection televisions, is being bought in the video store.

Obviously, most consumers feel they will receive more technical advice and information as well as service guarantees in the specialty outlet.

—Pamela Golden
senior associate editor

EIGHTH ANNUAL ELECTRONICS STATISTICS & MARKETING REPORT

VIDEO

COLOR TV TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Color TV, total	11,357,000	11,362,000	+ 0.8
Portable & Table	8,893,000	8,788,000	+ 1.2
Console & Combo	2,464,000	2,474,000	– 0.4

COLOR TV SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	47%	47%
Catalog Showroom	2%	2%
Catalog Store (Sears, Penneys, etc.)	14%	15%
Department Store	14%	14%
Discount Store	10%	11%
Furniture Store	6%	6%
Video Specialty Store	4%	3%
Other	3%	2%

COLOR TV PERCENT SHIPPED CABLE-READY

1982	1981
52.2%	42.7%

COLOR TV SALES BY SCREEN SIZE

	1982	1981	% of Change
9 in. & under	493,000	472,000	+ 4.5
12 & 13 in.	1,776,000	1,790,000	– 0.8
14 & 15 in.	273,000	296,000	– 7.8
16 & 17 in.	344,000	370,000	– 7.0
18 & 19 in.	5,649,000	5,538,000	+ 2.0
21 in.	155,000	176,000	– 11.9
23 in., total	224,000	253,000	– 11.5
Console & Combo	187,000	215,000	– 13.0
Table	37,000	38,000	– 2.6
25 in., total	2,443,000	2,367,000	+ 3.2
Console & Combo	2,298,000	2,264,000	+ 1.5
Table	145,000	103,000	+ 40.8

COLOR TV PERCENT SHIPPED WITH REMOTE CONTROL DEVICES

1982	1981
35.6%	31.0%

CONSOLE COLOR TV SALES BY FURNITURE STYLE

	1982	1981
Early American	25%	26%
French Provincial	3%	4%
Mediterranean	29%	32%
Modern (contemporary)	38%	33%
Other	5%	5%

BLACK & WHITE TV TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Black & White TV, total	5,575,000	5,766,000	– 3.3
Portable & Table	5,567,000	5,752,000	– 3.2
Console & Combo	8,000	14,000	– 42.9

BLACK & WHITE TV SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	25%	25%
Catalog Showroom	5%	6%
Catalog Store (Sears, Penneys, etc.)	19%	19%
Department Store	16%	16%
Discount Store	26%	26%
Furniture Store	4%	4%
Other	5%	4%

BLACK & WHITE TV PERCENT SHIPPED WITH BATTERY-POWERED CAPABILITY

1982	1981
28.1%	25.6%

CONTINUED ON PAGE 22

VIDEO

CONTINUED FROM PAGE 19

BLACK & WHITE TV SALES BY SCREEN SIZE

	1982	1981	% of Change
Mini Combination Units	493,000	483,000	+ 2.1
9 in. & under (excl. mini combos)	694,000	756,000	– 8.2
12 in.	3,956,000	3,921,000	+ 0.9
13 & 15 in.	85,000	106,000	– 19.8
16 & 17 in.	62,000	90,000	– 31.1
18 & 19 in.	278,000	396,000	– 29.8
22 in., total	7,000	14,000	– 50.0
Console & Combo	5,000	11,000	– 54.6
Table	2,000	3,000	– 33.3

PROJECTION TV TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Projection TV	127,000	109,100	+ 16.5

PROJECTION TV SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	18%	15%
Audio Hifi Specialty Store	25%	28%
Catalog Showroom	1%	1%
Department Store	9%	9%
Discount Store	2%	2%
Furniture Store	2%	3%
Video Specialty Store	41%	40%
Other	2%	2%

VIDEOCASSETTE RECORDER TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Videocassette recorders, total	1,993,000	1,330,000	+ 49.8
Beta	481,000	336,000	+ 43.2
VHS	1,512,000	994,000	+ 52.1

VIDEOCASSETTE RECORDER SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	31%	35%
Audio Hifi Specialty Store	10%	11%
Catalog Showroom	3%	2%
Catalog Store (Sears, Penneys, etc.)	9%	6%
Department Store	11%	15%
Discount Store	9%	11%
Video Specialty Store	22%	19%
Other	5%	1%

VIDEOCASSETTE RECORDER PERCENT SHIPPED WITH STEREO CAPABILITY

1982	1981
4%	0%

VIDEO CAMERA TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Video Cameras, total	330,000	186,000	+ 77.4
Color	324,000	175,000	+ 85.1
Black & White	6,000	11,000	– 45.5

VIDEODISC PLAYER TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Videodisc Players, total	333,000	160,000	+ 108.1
Laser	45,000	20,000	+ 125.0
CED	288,000	140,000	+ 105.7

VIDEODISC PLAYER SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	36%	36%
Audio/Hifi Specialty Store	11%	11%
Catalog Showroom	2%	2%
Catalog Store (Sears, Penneys, etc.)	10%	11%
Department Store	12%	12%
Discount Store	7%	7%
Video Specialty Store	21%	19%
Other	1%	2%

Inaugural Tracking Of Electronics Furniture Shows More Than 4 Million Units Shipped

This is the first year that *Merchandising* has tracked statistics for the burgeoning electronics furniture category, and according to input from major manufacturers, some 4.2 million units will be shipped this year.

This represents a growth rate of 7.6 percent over 1981 in which shipments almost reached the 4.0 million mark.

According to the manufacturers polled, the home computer bench, although still a relatively small segment, will be the fastest growing item this year. This was much in evidence at the recent CES when most vendors showed computer benches for the first time, anticipating the computer boom that the industry is confidently awaiting.

Sales of videogame carts also registered a strong rate of growth, again not surprising when one looks at the incredible growth the videogame industry itself is experiencing this year.

The largest category, however, expected to account for more than half of all the electronics furniture shipped this year, is television carts. More than two million units should reach retailers in 1982, and the category is still growing, up 4.5 percent since last year.

Audio furniture sales rank second, although, like the audio industry, shipments are down.

Also keeping pace with the industry are shipments of furniture designed to hold an array of video gear. This category is expected to register better than a 25 percent growth this year.

And audio/video centers are also doing well, showing better than 31 percent growth. The rush of manufacturers into the component TV business this past spring could give this piece of furniture another shot in the arm next year, propelling it into position as one of the most popular pieces of furniture.

Appliance/TV Stores Excel

Selling the most electronics furniture, according to the manufacturers, are appliance/TV stores, which are expected to be responsible for 18 percent of the sales this year.

Catalog stores, such as Sears and Penneys, are doing almost as well, expected to capture 17 percent of sales. They're followed closely by catalog showrooms, department stores and discount stores.

Following at a considerable distance are computer stores (although this segment should surge ahead next year), video specialty stores, electronics specialty stores and other outlets, such as toy stores, PX's and furniture outlets.

—**Lee Rath**
editor

ELECTRONICS FURNITURE TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Electronics Furniture, total	4,198,369	3,894,400	+ 7.6
Audio (components)	803,290	863,330	– 7.0
Television Carts	2,182,340	2,088,040	+ 4.5
TV/VCR/ Videodisc Player	351,150	280,770	+ 25.1
Audio/Video Centers	166,780	126,950	+ 31.4
Videogames	370,850	267,140	+ 38.8
Home Computers	183,120	107,480	+ 70.4
Stereo Carts	132,830	160,440	– 17.2

ELECTRONICS FURNITURE

EIGHTH ANNUAL ELECTRONICS STATISTICS & MARKETING REPORT

ELECTRONICS FURNITURE SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	18.0%	19.2%
Audio/Hifi Specialty Store	10.0%	11.1%
Catalog Showroom	15.4%	15.3%
Catalog Store (Sears, Penneys, etc.)	17.0%	16.5%
Department Store	15.2%	15.6%
Discount Store	14.7%	14.6%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	2.1%	1.8%
Computer Store	3.4%	2.4%
Video Specialty Store	2.8%	2.5%
Other (includes toy stores, PX's, furniture stores, etc.)	1.4%	1.0%

Videogames Shine In 1982 With Five Million Units Expected To Be Shipped

Videogames are emerging as the brightest star of the personal electronics galaxy, surging ahead in sales at an incredible rate.

Substantially more than five million are predicted to reach retailers this year, more than double 1981's total. Videogame cartridges—including games from 10 or more new suppliers—should total about 61 million, an increase of 25 million units.

On the darker side, downward pressure on prices for videogame hardware has accelerated to include most types of retailers. And some who never had to worry about cartridge profit margins now have to keep a close eye on the competition.

Reasons include the expensiveness of the consoles—which are often bought as a gift or a toy—and the proliferation of software suppliers and outlets. Most videogame business continues to take place at discount, catalog chain, department and catalog showroom outlets, however.

The rapid influx of hardware and software suppliers has varied roots. While most would like to be around for the long term, others probably want to make a quick buck.

As far as retailers are concerned, there is little sense in taking the time and effort to stock games that represent "first-generation" play value. Indeed, with "third-generation" hardware due momentarily, consumers will be even less likely to settle for unsophisticated graphics or game play.

And it is precisely the less-sophisticated type of game that can suffer the biggest drop in margin. Some dealers have even sold early games at a loss, just to free up open to buy.

Most retailers hope that the category will stabilize next year, and believe that videogames will remain strong for at least several more years. Some have also hedged their bets by taking on home computers, which have already shown unexpected strength.

Computer Shipments Soar

The latest factory shipment figures indicate that about 1.36 million will be shipped this year, compared with 597,000 in 1981.

Of course, sell through is another matter. Still unproven is whether general merchandisers can successfully "sell a box," although increasing numbers have found the answer to be "yes."

A surprising number of large discount store chains will be among those retailers getting a firmer indication during the Christmas season.

For retailers who want to establish a real presence in home computers, a better strategy might be to acquire the manpower, space and expertise needed to offer software, peripherals, advice and other services.

With hardware profits continuing to slip, this already makes bottom line sense. One idea that might be considered by some stores could be to place one person in charge of both videogames and computers.

According to suppliers, sales of personal computers by intended use have substantially shifted toward the home. The market among schools has remained constant. One reason could be a lack of funds; in any case, most are sold directly by the manufacturer.

The under-$500 price category has become dominant, with most other ranges losing sales. Whether home computers appeal to game players, concerned parents or a different category of buyers in the future, their potential has to be regarded as very promising.

Electronic game factory shipments continue to slide, though both handheld and strategy volumes must be regarded as substantial. Most of the handheld, or self-contained, action has been in arcade-theme games. Innovations aimed at appealing to more adept chess players represent a trend among electronic chess game manufacturers *(see page 33)*.

Phone Sales Heat Up

In the telephone category, the home ownership revolution so far shapes up as an evolution, although the proposed AT&T-Justice Department settlement has speeded things up a bit.

Both standard and cordless phones have gained, as have the advanced chip-based models. Indications continue to show that the real comer will continue to be the cordless phone.

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Meanwhile, as prices have come down, telephone answerers have grown in appeal. For both telephones and answerers, increased unit volume has allowed suppliers to launch more consumer advertising, which has in turn again increased volume. Retailers hope this cycle continues.

Factory shipments of calculators remained basically flat. Still, many retailers told *Merchandising* they have increased their calculator business and its profitability. The key has been merchandising mix adjustments.

Handheld programmable units offer the best markup, for instance (37.1 percent, according to dealers contacted earlier this year). Factory shipments have increased by over 15 percent.

The larger scientific category also continued to grow, by 9.2 percent to over 4.7 million units. Strongest gainer in the handheld category continues to be the printer, with shipments up 67 percent to almost 1.4 million units.

Total handheld sales to dealers now approach 25 million units a year, a slight gain. Desk-top shipments have topped 4.5 million, also a small increase, with printer/display models generating 2.82 million units of that business.

Digital Watches Hang On

One surprise in the digital watch category is the product's continued viability in the face of various forecasts of a swing back to analog watches; shipments should edge past 24 million units this year. Another is the reluctance of women to accept models that were expected to appeal to them.

These watches have become smaller, slimmer and more highly styled—just the ingredients thought needed to increase the women's share of market. But since men's models still account for nearly three out of four models sold, vendors' plans have been adjusted accordingly.

Another surprise in personal electronics has been the rapid switch in consumer preference to super-heterodyne radar detectors. A year ago, 156,000 of these units were shipped. Now that has increased to 281,000, roughly an 80 percent jump in one year. Passive sales have decreased by about 17 percent, to 300,000. But thanks to the super-heterodyne explosion, overall sales to dealers have risen 12.2 percent to 581,000 units.

In retrospect, the change could almost have been expected. After all, the personal electronics charts show videogames up 115.5 percent, personal computers jumping 127.8 percent, and gains in several other categories. Advances in consumer electronics continue to improve their value, and consumers know it.

And if the recession shows signs of ending soon, Christmas business could also show a substantial improvement over last year, retailers hope.

—**William Silverman**
senior associate editor

PERSONAL COMPUTER TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Personal Computers	1,360,000	597,000	+ 127.8

PERSONAL COMPUTER SALES BY INTENDED USE

	1982	1981
Business/Professional	44%	56%
Personal/Home	41%	28%
School/Education	15%	16%

PERSONAL COMPUTER SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	5%	5%
Audio/Hifi Specialty Store	5%	5%
Catalog Showroom	6%	4%
Catalog Store (Sears, Penneys, etc.)	5%	5%
Computer Specialty Store	45%	44%
Department Store	5%	6%
Discount Store	3%	2%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	21%	20%
Hobby Shop	4%	3%
Others	1%	6%

PERSONAL COMPUTER SALES BY PRICE RANGE

	1982	1981
Under $500	25%	5%
$500 - $800	12%	18%
$801 - $1,000	12%	15%
$1,001 - $1,500	23%	32%
$1,501 - $2,000	8%	5%
Over $2,000	20%	25%

VIDEOGAME TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Videogames, total	5,344,000	2,482,000	+ 115.5
Non Programmable	300,000	441,000	- 31.9
Programmable	5,190,000	2,059,000	+ 152.1
Videogame cartridges	61,000,000	36,000,000	+ 69.4

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VIDEOGAME SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	8%	9%
Audio/Hifi Specialty Store	5%	4%
Catalog Showroom	12%	13%
Catalog Store (Sears, Penneys, etc.)	17%	16%
Department Store	16%	17%
Discount Store	23%	27%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	3%	3%
Toy Store	12%	9%
Video Specialty Store	3%	1%
Others	1%	1%

ELECTRONIC GAME TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Electronic Games, total	13,593,000	16,539,000	−17.8
Handheld	10,593,000	12,800,000	−17.2
Board (strategy)	3,000,000	3,739,000	−19.8

ELECTRONIC GAME SALES BY TYPE OF OUTLET

	1982
Book Store	2%
Catalog Showroom	17%
Catalog Store (Sears, Penneys, etc.)	24%
Department Store	14%
Discount Store	13%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	6%
Hobby Shop	4%
Toy Store	19%
Other	1%

PHONE AND PHONE ANSWERER TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Phones, total	4,057,000	3,155,000	+ 28.6
Standard	1,236,000	1,090,000	+ 13.4
Decorator	1,339,000	1,284,000	+ 4.3
Advanced Electronic	463,000	359,000	+ 29.0
Cordless	1,019,000	422,000	+ 141.5
Phone Answerers	858,000	697,000	+ 23.1

PHONE SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	6%	4%
Audio/Hifi Specialty Store	4%	4%
Catalog Showroom	15%	13%
Catalog Store (Sears, Penneys, etc.)	14%	16%
Department Store	14%	16%
Discount Store	18%	19%
Phone Specialist	19%	20%
Other	10%	8%

PHONE ANSWERER SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	3%	2%
Audio/Hifi Specialty Store	3%	2%
Catalog Showroom	9%	9%
Catalog Store (Sears, Penneys, etc.)	14%	16%
Department Store	29%	31%
Discount Store	30%	29%
Office Supply Store	4%	2%
Phone Specialist	7%	8%
Other	1%	1%

CALCULATOR TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Calculators, total	29,583,000	28,260,000	+ 4.4
Handheld, total	24,905,000	23,905,000	+ 4.2
Mini-Card	2,399,000	2,760,000	− 13.1
Printer	1,376,000	824,000	+ 67.0
Programmable	122,000	106,000	+ 15.1
Scientific	4,767,000	4,367,000	+ 9.2
All other	16,242,000	15,848,000	+ 2.5
Desk-Top, total	4,598,000	4,355,000	+ 5.6
Display Only	904,000	915,000	− 1.2
Printer Only	876,000	1,123,000	− 22.2
Printer/Display	2,820,000	2,317,000	+ 21.7

CALCULATOR SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	3%	4%
Book Store	1%	1%
Catalog Showroom	13%	12%
Catalog Store (Sears, Penneys, etc.)	22%	23%
Department Store	10%	11%
Discount Store	32%	30%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	4%	4%
Office Supply Store	8%	9%
Others (including Drug Stores)	7%	6%

RADAR DETECTOR TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Radar Detectors, total	581,000	518,000	+ 12.2
Super-heterodyne	281,000	156,000	+ 80.1
Passive	300,000	362,000	− 17.1

RADAR DETECTOR SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	1%	1%
Automotive Supply Store	16%	16%
Catalog Showroom	19%	16%
Catalog Store (Sears, Penneys, etc.)	9%	9%
CB Specialty Store	13%	13%
Department Store	3%	3%
Discount Store	17%	17%
Truck Stop	14%	18%
Electronics Specialty Store	5%	4%
Others	3%	3%

DIGITAL WATCH TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Digital Watches, total	24,366,000	23,595,000	+ 3.3
Men's	17,747,000	17,163,000	+ 3.4
Women's	6,619,000	6,432,000	+ 2.9

DIGITAL WATCH SALES BY TYPE OF OUTLET

	1982	1981
Catalog Showroom	15%	16%
Catalog Store (Sears, Penneys, etc.)	19%	20%
Department Store	22%	22%
Discount Store	25%	25%
Drug Store	9%	7%
Jewelry Store	10%	10%

Audio Shipments Expected To Suffer At The Hands Of Healthier Categories

Of all the categories in electronics, it appears that audio is suffering the most in 1982. The statistics show:

- hifi component shipments are down considerably with the possible exception of receivers, headphones and tape decks;
- console stereos have all but disappeared;
- compact system shipments are generally off with only cassette recorder bimode and trimode models exhibiting any growth;
- autosound shipments are up, although their growth has moderated somewhat compared with previous years;
- radio shipments are down in general with only a few types of units and specialty models (such as multi-bands) showing up in the plus column, and
- portable tape units (with the definite exception of radio/cassette combos) are not faring as well as they once did.

It's no secret that consumers have turned to new forms of electronic entertainment with their expendable dollars. Videogames, videodisc players and VCR's are all contributing to the audio slump.

Nevertheless, there are a few bright spots. The first, obviously, is in personal portable stereos such as the Walkman. Doing quite well, the category, unfortunately, proved impossible to track.

The manufacturers that rushed into the area are apparently finding it difficult to arrive at any kind of a consensus about how many units are being shipped. Figures should be more readily available once the dust has settled following the veritable explosion of product.

Some Components Show Growth

In audio components, only receivers, headphones and tape decks continue to show anything that looks like growth.

More than 1.4 million receivers are expected to be shipped to retailers this year. Perhaps consumers are being attracted by all the blinking lights and computerized tuning features of the newer models. Or perhaps they're starting to catch on to the fact that their 10-year-old model is no longer good enough to do the job.

Headphones appear to be riding the wave of personal portable sales. Consumers, growing accustomed to headphone listening outdoors, might just be more interested in following suit inside. Then, they look for one of the newer lightweight models.

Cassette decks lead the parade in tape as 8-track and open-reel models continue to fall behind. Cassette deck shipments are expected to jump six percent this year. Again, although growth has been stronger in the past, this product continues to be one of the brighter lights in component hifi.

Among retail outlets, specialty stores, catalog stores and department stores lost ground this year to appliance/TV stores, discounters and electronics specialty stores in component sales.

It was also somewhat surprising to find that the number of components shipped in prepackaged systems is expected to slip this year, albeit slightly. And the fact that manufacturers are slowly picking up on remote control devices—which have helped boost TV sales—shows the industry might be heading in new directions.

For 1983, the industry can expect to pick up some component sales as new products appear. The long-awaited digital audio disc is due. And the still honeymooning categories of audio and video are expected to bear issue.

With all the interest in improved sound to accompany the new wave of video, it's reasoned, consumers should turn their thoughts to improving their systems' speakers and, perhaps, their amplifiers. Maybe the rest of the component family will be able to tag along for the ride.

The category that disappeared, console stereo, did so this year because of an almost total lack of input from manufacturers. According to our statistics, the product expired last year in its late 20's with about 450,000 units shipped.

In compact systems, the only significant growth was registered by cassette recorder trimode units, which incorporate a receiver, turntable and cassette player. More than 1.4 million units are expected to be shipped this year.

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Cassette recorder bimodes, which include a receiver and cassette player, picked up some steam. Again, apparently both of these compact systems were riding on the popularity of the audiocassette.

The 8-track compacts, to no one's surprise, continued to lose ground steadily.

Among retailers of compact systems, catalog stores, department stores, discounters and electronics specialty stores picked up market share. Those that lost were appliance/TV stores, audio/hifi specialty stores and drug stores.

Car Stereo Shows Growth

The autosound category is expected to register overall growth of about 7.3 percent this year. The big winners should be in-dash cassette/radio combos and speakers. Under-dash cassette-only units should also pick up somewhat. Again, it's the 8-tracks that are hurting.

According to the statistics, car stereo specialists are picking up more and more of the retail action at the expense of discounters and catalog stores. It would seem that the consumers are getting a bit pickier about where they buy their autosound systems and who they let install them.

It also appears that the customer is willing to spend more for his system. Units priced between $181 and $350 are selling better this year while those at other price points are not doing as well.

Radio shipments are expected to dip slightly overall, about 2.3 percent. Only AC/DC portable units, digital clock radios and some specialty types (multi-bands, weather-band units and CB radios) are expected to exhibit any growth at all.

Perhaps strength in that category is being drained by some of the portable tape products which include radios. For in that category, portable cassette players with built-in radios are expected to show an increase in shipments of close to 25 percent.

Microcassette recorders are also expected to show some growth (watch for more from this category in the future). The rest of the products, however, the separate cassette recorders and (once more) 8-track player/recorders, are expected to register fewer units shipped in 1982.

At the retail level, only catalog stores, such as Sears and Penneys, and drug stores are picking up any market share with portable tape products. And that's at the expense of appliance/TV stores, catalog showrooms and department stores.

Overall, it's the younger products that can exhibit some form of new technology that are showing the growth in audio. As some of their features, such as quartz tuning, filter down to the older products, perhaps they will get the rejuvenating shot in the arm they could well use.

—**Lee Rath**
editor

HIFI COMPONENT TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Audio Components			
Receivers	11,500,000	11,410,000	+0.8
Amps	307,500	391,500	-21.5
Tuners	307,500	391,500	-21.5
Turntables	1,150,000	1,410,000	-18.4
Speakers	14,950,000	15,410,000	-3.0
Headphones	1,150,000	1,100,000	+4.5
Cassette Decks	2,875,000	2,710,000	+6.1
Open-Reel Decks	46,000	57,500	-20.0
Amplifiers	1,035,000	1,035,000	0.0
Tuners	1,035,000	1,035,000	0.0
Turntables	1,035,000	1,035,000	0.0
Speakers	2,300,000	2,185,000	+5.3
Headphones	1,150,000	1,035,000	+11.1
Cassette Decks	2,300,000	2,185,000	+5.3
Open-Reel Decks	46,000	57,500	-20.0
Compact Systems	1,150,000	1,035,000	+11.1
Cassette Recorder Bimodes	1,035,000	920,000	+12.5
8-Track Compacts	115,000	115,000	0.0
Radios	1,035,000	1,150,000	-10.0
AC/DC Portables	575,000	690,000	-16.7
Clock Radios	230,000	230,000	0.0
Specialty Types	230,000	230,000	0.0
Portable Tape Units	1,150,000	1,265,000	-9.1
Radio/Cassette Combos	1,035,000	1,150,000	-10.0
Microcassette Recorders	115,000	115,000	0.0

HIFI COMPONENT SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	8%	6%
Audio/Hifi Specialty Store	35%	37%
Catalog Showroom	7%	7%
Catalog Store (Sears, Penneys, etc.)	18%	20%
Department Store	11%	12%
Discount Store	6%	5%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	7%	5%
Hifi Salon	8%	8%

HIFI COMPONENT PERCENT SHIPPED IN PREPACKAGED SYSTEMS

1982	1981
52.2%	57.5%

HIFI COMPONENT PERCENT SHIPPED WITH REMOTE CONTROL DEVICES

1982	1981
2.9%	2.2%

RECEIVER SHIPMENTS BY WATTAGE

	1982	1981
10-20 Watts	18%	19%
21-40 Watts	38%	35%
41-100 Watts	38%	40%
Over 100 Watts	6%	6%

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AUDIO/HIFI

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COMPACT SYSTEM TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Compact Systems, total	**2,977,000**	**3,578,000**	**– 16.8**
Cassette Recorder Bimode	80,000	77,000	+ 4.5
Cassette Recorder Trimode	1,406,000	1,176,000	+ 19.6
8-Track Player Bimode	105,000	248,000	– 57.7
8-Track Player Trimode	414,000	572,000	– 27.6
8-Track Recorder Bimode	107,000	274,000	– 60.9
8-Track Recorder Trimode	517,000	783,000	– 34.0
Changer Bimode	135,000	200,000	– 32.5
Quadmode	213,000	248,000	– 14.1

COMPACT SYSTEM SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	18%	19%
Audio/Hifi Specialty Store	10%	11%
Catalog Showroom	9%	11%
Catalog Store (Sears, Penneys, etc.)	14%	13%
Department Store	18%	17%
Discount Store	24%	22%
Drug Store	1%	2%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	4%	3%
Others	2%	2%

AUTOSOUND TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Autosound, total	**20,657,000**	**19,251,000**	**+ 7.3**
Underdash Cassette Player	735,000	722,000	+ 1.8
Underdash Cassette/ Radio Combo	598,000	607,000	– 1.5
Indash Cassette/ Radio Combo	3,189,000	2,899,000	+ 10.0
Underdash 8-Track Player	669,000	708,000	– 5.5
Underdash 8-Track/ Radio Combo	191,000	208,000	– 8.2
Indash 8-Track/ Radio Combo	1,684,000	1,722,000	– 2.2
Car Speakers (pairs)	12,569,000	11,303,000	+ 11.2
Radios only (Retrofit)	1,022,000	1,082,000	– 5.5

AUTOSOUND AFTERMARKET SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	5%	5%
Audio/Hifi Specialty Store	18%	18%
Automotive Chain	13%	12%
Car Stereo Specialist	17%	14%
Catalog Showroom	5%	5%
Catalog Store (Sears, Penneys, etc.)	10%	13%
Department Store	5%	6%
Discount Store	11%	13%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	10%	10%
New Car Dealer	4%	4%
Others	2%	0%

AUTOSOUND SHIPMENTS BY PRICE RANGE

	1982	1981
$50 and under	2%	2%
$51 – $90	14%	14%
$91 – $130	24%	25%
$131 – $180	33%	34%
$181 – $250	13%	11%
$251 – $350	10%	9%
Over $350	4%	5%

PORTABLE TAPE UNIT TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Portable Tape Units, total	**22,250,000**	**23,695,000**	**– 6.1**
Cassette Recorders	13,333,000	16,025,000	– 16.8
Radio/cassette Combos	7,853,000	6,302,000	+ 24.6
8-Track Player/ Recorders	550,000	867,000	– 36.6
Microcassette Recorders	514,000	501,000	+ 2.5

PORTABLE TAPE UNIT SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	15%	17%
Audio/Hifi Specialty Store	6%	6%
Catalog Showroom	15%	17%
Catalog Store (Sears, Penneys, etc.)	11%	6%
Department Store	16%	18%
Discount Store	26%	26%
Drug Store	4%	3%
Others	7%	7%

RADIO TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Radios, total	**27,250,000**	**27,881,000**	**– 2.3**
By Type:			
Table (excl. clock)	700,000	986,000	– 29.0
Portable	18,000,000	17,493,000	+ 2.9
Clock, Digital	7,800,000	7,702,000	+ 1.3
Electronic Display	6,900,000	5,736,000	+ 20.3
Mechanical Leaf Display	900,000	1,966,000	– 54.2
Clock, Analog	750,000	1,700,000	– 55.9
By Format:			
AM Only	3,600,000	4,028,000	– 10.6
FM & AM/FM	23,650,000	23,853,000	– 0.9
By Power Source:			
Battery (with or w/o plug-in)	8,250,000	9,282,000	– 11.1
AC/DC	9,000,000	8,057,000	+ 11.7
Other Plug-In (w/o battery)	10,000,000	10,542,000	– 5.1
Specialty Types:			
Multi-Band Radios	7,300,000	7,022,000	+ 6.8
Weather-Band Radios	1,075,000	1,038,000	+ 3.6
Scanner Radios	869,000	920,000	– 5.5
Citizens Band, total	1,611,000	1,522,000	+ 5.8
Base Station	165,000	162,000	+ 1.9
Mobile Units	1,446,000	1,360,000	+ 6.3

RADIO SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	15%	16%
Audio/Hifi Specialty Store	6%	4%
Catalog Showroom	16%	15%
Catalog Store (Sears, Penneys, etc.)	12%	10%
Department Store	6%	8%
Discount Store	29%	31%
Drug Store	3%	3%
Furniture Store	1%	1%
Jewelry Store	1%	1%
Other	11%	11%

Blank Videotape Should Register 43.3 Percent Growth; Audiotape Up 5 Percent

Sales of blank videotape are booming. In fact, shipments to retailers should crack the 38 million mark this year, according to manufacturers polled by *Merchandising*.

The VHS formulation is expected to maintain its wide margin over the Beta format, capturing slightly better than 68 percent of the market for blank tape. In fact, the statistics show VHS sales are growing faster than Beta sales.

Shipments of prerecorded tapes are also up significantly, although not quite as much as blank tape shipments. General interest tapes are pacing the industry, growing slightly faster than their X-rated counterparts.

Overall, the vendors claim that general interest tapes are capturing just about the same percentage of sales as VCR saturation increases. Last year, they accounted for 67 percent of all shipments. This year, by comparison, they are expected to represent roughly 68 percent. Apparently, X-rated tapes are holding their own.

Who's selling videotape?

The statistics show that most of the blank tape, some 23 percent, is being moved by appliance/TV stores.

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It would appear that customers are getting a bit less particular about where they buy their tape. Perhaps they are also getting a bit more price conscious. Catalog showrooms and discount stores are each expected to pick up market share.

In prerecorded tape, video specialists and catalog stores are together moving almost half of the units.

Audiotape Shipments Increase

Also expected to show an increase this year are shipments of blank audiotapes. Following hardware trends, this category is not registering the same growth as its video brother; a five percent increase is nevertheless anticipated.

Among cassette formulations, metal particle tape is registering the most growth, although it remains by far the smallest category.

Showing the least growth is the premium category, even though it represents the largest number of units shipped.

Open reel shipments are expected to be down more than five percent this year and 8-track shipments continue to plummet, off by almost 22 percent.

—**Lee Rath**
editor

BLANK AUDIOTAPE TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Blank Audiotape, total	**258,803,000**	**246,393,000**	**+ 5.0**
Cassette, total	**243,217,000**	**228,147,000**	**+ 6.6**
Promotional	**110,092,000**	**97,254,000**	**+ 13.2**
***Premium**	**132,046,000**	**129,967,000**	**+ 1.6**
Metal Particle	**1,079,000**	**926,000**	**+ 16.5**
Open Reel, total	**7,601,000**	**8,018,000**	**– 5.2**
Promotional	**1,163,000**	**1,147,000**	**+ 1.4**
***Premium**	**6,438,000**	**6,871,000**	**– 6.3**
8-Track, total	**7,985,000**	**10,228,000**	**– 21.9**
Promotional	**5,016,000**	**6,216,000**	**– 19.3**
***Premium**	**2,969,000**	**4,012,000**	**– 26.0**

***High coercivity, cobalt doped, chrome and ferrite chrome, etc.**

BLANK PREMIUM AUDIOTAPE SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	4%	4%
Audio/Hifi Specialty Store	37%	37%
Camera Store	3%	4%
Catalog Showroom	8%	7%
Catalog Store (Sears, Penneys, etc.)	6%	7%
Department Store	9%	9%
Discount Store	14%	16%
Drug Store	4%	3%
Record Store	8%	6%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	6%	6%
Others	1%	1%

PRERECORDED VIDEOTAPE TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Prerecorded Videotape, total	**6,988,000**	**5,172,000**	**+ 35.1**
General Interest	**4,723,000**	**3,469,000**	**+ 36.1**
X-Rated	**2,265,000**	**1,703,000**	**+ 33.0**
Beta	**2,083,000**	**1,643,000**	**+ 26.8**
VHS	**4,905,000**	**3,529,000**	**+ 39.0**

BLANK PROMOTIONAL AUDIOTAPE SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	3%	4%
Audio/Hifi Specialty Store	8%	9%
Camera Store	2%	3%
Catalog Showroom	7%	6%
Catalog Store (Sears, Penneys, etc.)	11%	10%
Department Store	6%	7%
Discount Store	37%	37%
Drug Store	8%	8%
Record Store	8%	6%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	8%	8%
Others	2%	2%

BLANK VIDEOTAPE TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Blank Videotape, total	**38,280,000**	**26,711,000**	**+ 43.3**
Beta	**12,151,000**	**9,361,000**	**+ 29.8**
VHS	**26,129,000**	**17,350,000**	**+ 50.6**

BLANK VIDEOTAPE SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	23%	26%
Audio/Hifi Specialty Store	17%	17%
Camera Store	5%	4%
Catalog Showroom	5%	3%
Catalog Store (Sears, Penneys, etc.)	5%	5%
Department Store	10%	10%
Discount Store	14%	13%
Film Processors (Fotomat, Shutterbug, etc.)	2%	2%
Record Store	4%	5%
Video Specialist	14%	13%
Others	1%	2%

PRERECORDED VIDEOTAPE SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	10%	10%
Audio/Hifi Specialty Store	10%	10%
Camera Store	4%	4%
Catalog Showroom	3%	3%
Catalog Store (Sears, Penneys, etc.)	23%	24%
Department Store	12%	14%
Discount Store	4%	3%
Film Processors (Fotomat, Shutterbug, etc.)	4%	6%
Record Store	6%	6%
Video Specialist	23%	19%
Others	1%	1%

VIDEODISC SALES BY TYPE OF OUTLET

	1982
Appliance/TV Store	31%
Audio/Hifi Specialty Store	16%
Camera Store	2%
Catalog Showroom	2%
Catalog Store (Sears, Penneys, etc.)	8%
Department Store	5%
Discount Store	2%
Film Processors (Fotomat, Shutterbug, etc.)	1%
Record Store	6%
Video Specialist	26%
Others	1%

Merchandising's TOP 50

		Last month's position	Months on chart
1.	**On Golden Pond** *(20th Century-Fox Video)* I	23	2
2.	**Stripes** *(Columbia Pictures Home Entertainment)*	1	3
3.	**Star Wars** *(20th Century-Fox Video)* I	—	1
4.	**Stir Crazy** *(Columbia Pictures Home Entertainment)*	7	9
5.	**Clash of the Titans** *(MGM/UA Video)*	2	5
6.	**The French Lieutenant's Woman** *(20th Century-Fox Video)*	3	3
7.	**Time Bandits** *(Paramount Home Video)*	—	1
8.	**Caddyshack** *(Warner Home Video)* GI	9	17
9.	**An American Werewolf in London** *(MCA Videocassette)*	4	7
10.	**Apocalypse Now** *(Paramount Home Video)*	21	7
11.	**9 to 5** *(20th Century-Fox Video)* PI	14	16
12.	**Only When I Laugh** *(Columbia Pictures Home Entertainment)*	12	4
13.	**Cannonball Run** *(Vestron Video)* I	16	4
14.	**Jane Fonda's Workout** *(Karl Video)*	—	1
15.	**Atlantic City** *(Paramount Home Video)*	11	3
16.	**Paternity** *(Paramount Home Video)*	18	5
17.	**Fort Apache—The Bronx** *(Vestron Video)* I	13	4
18.	**Star Trek—The Motion Picture** *(Paramount Home Video)* I	42	20
19.	**Superman** *(Warner Home Video)* I	26	30
20.	**Mommie Dearest** *(Paramount Home Video)* I	17	5
21.	**The Howling** *(20th Century-Fox Video)*	6	4
22.	**Dragon Slayer** *(Paramount Home Video)*	—	1
23.	**Airplane** *(Paramount Home Video)*	5	18
24.	**Kramer vs. Kramer** *(Columbia Pictures Home Entertainment)* GI	30	8
25.	**The Four Seasons** *(Paramount Home Video)* GI	8	6
26.	**Ordinary People** *(Paramount Home Video)* PI	34	13
27.	**Superman II** *(Warner Home Video)*	32	2
28.	**Aerobicize** *(Paramount Home Video)*	—	1
29.	**Friday the 13th** *(Paramount Home Video)* I	25	16
30.	**Halloween II** *(MCA Videocassette)*	10	3
31.	**Scanners** *(20th Century-Fox Video)*	15	4
32.	**The Jazz Singer** *(Paramount Home Video)* I	20	9
33.	**M*A*S*H** *(20th Century-Fox Video)* PI	28	46
34.	**Texas Chainsaw Massacre** *(Wizard Video)*	22	4
35.	**Animal House** *(MCA Videocassette)* GI	19	22
36.	**The Blues Brothers** *(MCA Videocassette)* PI	27	20
37.	**Tess** *(Columbia Pictures Home Entertainment)* I	46	10
38.	**Black Stallion** *(20th Century-Fox Video)* GI	38	12
39.	**Continental Divide** *(MCA Videocassette)*	24	4
40.	**The Blue Lagoon** *(Columbia Pictures Home Entertainment)* I	40	9
41.	**"10"** *(Warner Home Video)* PI	39	25
42.	**Halloween** *(Media Home Entertainment)* I	36	24
43.	**Cheech & Chong's Next Movie** *(MCA Videocassette)* I	—	11
44.	**Busting Loose** *(MCA Videocassette)*	29	8
45.	**The Muppet Movie** *(20th Century-Fox Video)* PI	43	26
46.	**Casablanca** *(20th Century-Fox Video)* I	50	10
47.	**Alien** *(20th Century-Fox Video)* PI	31	25
48.	**Close Encounters of the Third Kind** *(Columbia Pictures Home Entertainment)* GI	49	16
49.	**Night Hawks** *(MCA Videocassette)* GI	37	10
50.	**Somewhere in Time** *(Warner Home Video)* I	45	10

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/VIDEO)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/VIDEO)
I—Golden Videocassette award—has audited return sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

Andre Blay

THE LADY VANISHES (1938) Alfred Hitchcock drama in which an elderly lady (Dame May Whitty) suddenly disappears from her compartment on a moving train. *Black and white 96 minutes NR Andre Blay Corp. C: $49.95.*

MAGIC (1978) A terrifying love triangle is formed between a ventriloquist, his girlfriend, and his dummy who has come alive in his master's mind. Stars Anthony Hopkins, Ann-Margret and Burgess Meredith. *Color 106 minutes R Andre Blay Corp. C: $49.95. LV: $29.95.*

THE 39 STEPS (1935) Alfred Hitchcock drama features Robert Donat as Richard Hannay who is on the trail of a spy who he suspects murdered a girl in his apartment, only to discover the police believe he is the killer. *Black and white 80 minutes NR Andre Blay Corp. C: $49.95.*

MCA

ABBOTT AND COSTELLO MEET FRANKENSTEIN (1948) The comedy duo portray railroad baggage clerks who unknowingly deliver a crate containing the last remains of Dracula (Bela Lugosi) and Frankenstein (Glen Strange). The monsters escape to an island where they pursue Abbott and Costello. Also stars Lon Chaney Jr. *Black and white 83 minutes MCA Videocassette C: $39.95.*

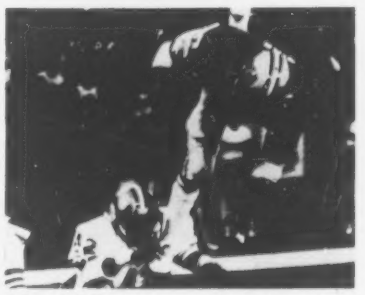
CAT PEOPLE (1982) A fantasy of the passion and terror that surround a young woman's simultaneous realization of love and her inescapable and bizarre family heritage. Stars Nastassia Kinski, Malcolm McDowell and John Heard. *Color 118 minutes R Stereo in VHS MCA Videocassette C: $85.50.*

HOT T-SHIRTS (1979) A small town bar launches a wet T-shirt contest to help boost its business. Stars Ray Holland, Stephanie Lawlor and Pauline Rose. *Color 86 minutes R MCA Videocassette C: $39.95.*

Media

THE SEDUCTION (1982) Morgan Fairchild stars as a television anchorwoman who has become the unwilling love object of a psychotic photographer. Also stars Andrew Stevens, Michael Sarrazin and Vince Edwards. *Color 104 minutes R Media Home Entertainment C: $59.95.*

NFL Video



NFL '81 (1982) A profile of the 1981-1982 season includes the playoffs and NFL Films' selections for the All-Pro teams. *Color 47 minutes NFL Films Video C: $49.95.*

SUPER BOWL XVI HIGHLIGHT (1982) The San Francisco 49er victory over the Cincinnati Bengals is examined along with an in-depth analysis of key plays. *Color 23 minutes NFL Films Video C: $34.95.*

Pacific Arts

AN EVENING WITH SIR WILLIAM MARTIN Bizarre comedy performance starring Bill Martin, co-writer of Elephant Parts, and Michael Nesmith. *Color 30 minutes Pacific Arts Video Records C: $39.95.*

THE ENDLESS SUMMER (1966) Documentary follows two surfers on a trip around the world in search of summer. Their expedition takes them to Senegal, Ghana, Nigeria, South Africa, Australia, New Zealand, Tahiti, Hawaii and California. *Color Pacific Arts Video Records C: $69.95.*

Thorn EMI

EDWARD AND MRS. SIMPSON (1980) Emmy Award winning account of the years leading to King Edward's abdication of the throne in 1936, so he could marry an American divorcee, Wallis Simpson. A multi-cassette package. *Color Thorn EMI Video.*

SUMMER SOLSTICE (1981) Henry Fonda and Myrna Loy portray an aging couple revisiting the New England beach where they first met. *Color 75 minutes Thorn EMI Video C: $69.95.*

Walt Disney

THE THREE CABALLEROS (1945) A mixture of live action and cartoon animation, this musical comedy features Donald Duck and two of his south-of-the-border friends, Panchito, a Mexican rooster, and Joe Carioca, a Brazilian parrot. *Color Walt Disney Home Video C: $69.95.*

THE WATCHER IN THE WOODS (1981) A science-fiction thriller set in the English countryside stars Bette Davis, Carroll Baker and David McCallum. *Color 83 minutes Walt Disney Home Video C: $69.95.*

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75th ANNIVERSARY

A GRALLA PUBLICATION

Merchandising

SEPTEMBER 1982

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

C4200-1

They're popular!
They're profitable!
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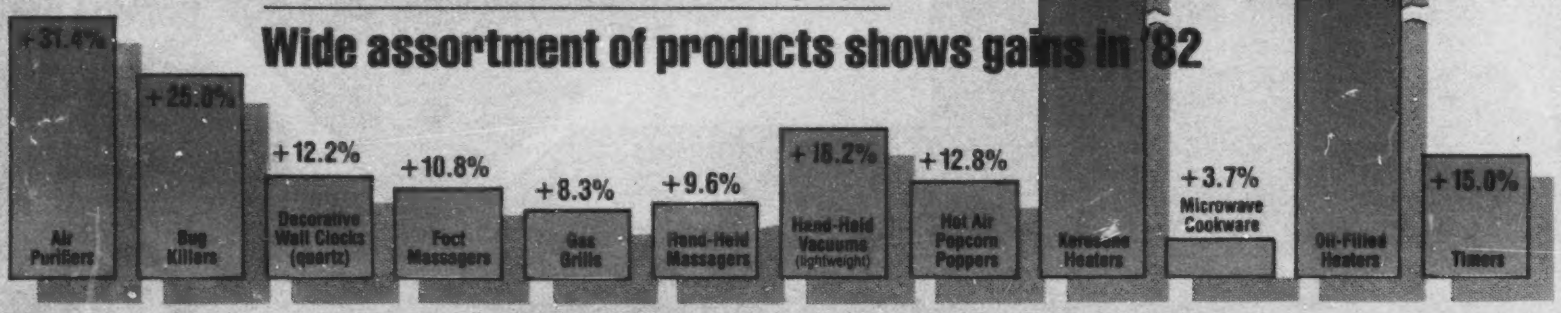
Wide assortment of products shows gains in '82



5 successful dealers share their secrets for success in generating big, booming sales in the fourth quarter

Also in this issue:

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- Retailers: There is financing available, and it's yours for the asking
- The industry gears up to take full advantage of the coming boom in phones
- 35mm camera manufacturers focus on the videocassette recorder market

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SEPTEMBER 1982

Merchandising

FOR OVER 55,700 RETAILERS & WHOLESALERS
VOL. 7, No. 9

75th ANNIVERSARY

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EIGHTH ANNUAL HOUSEWARES STATISTICAL & MARKETING REPORT

Seasonal product shipments stand out in mixed bag of pluses and minuses

Whether or not an economic recovery actually gets underway in the fourth quarter, housewares manufacturers are banking on a strong holiday period to rescue appliance and cookware sales for 1982.

A close look at shipment figures in the eight product categories tracked by *Merchandising* reveals a mixed bag of pluses and minuses. The seasonal areas—air treatment and outdoor—are projected to be well ahead of last year's figures in most cases. Clocks, floor care and home security shipments are also generally forecast to be ahead of 1981 figures.

The food preparation and personal care areas, however, are not expected to weather 1982 as successfully. The bright spots (and there are some) are outweighed by the not-so-bright ones.

Just where small appliances and cookware are being sold this year is also tracked in this Eighth Annual Statistical and Marketing Report. And a definite trend has begun to emerge in almost every area.

Overall, product has been moving well when heavily discounted at retail—even before a rebate is offered. But consumers are responding to little else so far this year, both vendors and buyers have indicated. While product is selling through, and unit sales are acceptable, a lot more product must be sold to make dollar volume equally as palatable.

When will dealers attempt to restore the margins that have eroded since the fourth quarter of last year? Some buyers around the country say they will attempt to do so starting next month, a few weeks before the holiday rush begins. If the season starts on time, these dealers may be able to hold prices to within two weeks before Christmas. But no one can agree about what the holiday season will be like this year.

Do dealers have enough inventory ordered or on hand for the October-November-December period? Retailers have kept a close watch on inventories throughout 1982, and are not changing for the holiday period. Because deliveries have been right on schedule and, in some cases, faster than normal, dealers have said, they are more confident of not being caught short.

Seasonal areas shine

The combination of new product introductions into the American market, plus the energy-saving trend toward zone-heating and cooling is giving air treatment shipments a healthy report again this year.

The oil-filled heater, first known in Europe, came stateside in 1981 and is expected to continue to do well this year (up 81.4 percent in units shipped). Kerosene heaters, an old product redesigned with new safety features, is also predicted to climb in units shipped (53.4 percent). Ceiling fans should continue to rise slightly (2.2 percent), and air purifiers are projected to shoot up with heavy fourth-quarter advertising behind them (31.4 percent).

Outdoor products, led by gas grills (up 8.3 percent), are forecast to gain in units shipped in 1982, compared with 1981 totals. Bug killer shipments, supported by a year of higher-than-normal rainfall, are projected to be up 25 percent this year.

Battery quartz movements are fueling clock shipment gains in all four product areas—decorative and kitchen wall, alarm and desk/table/occasional. The total category is expected to exceed 30 million units shipped by year-end.

Floor care manufacturers are taking keen interest in the lightweight, hand-held vacuum. The small-unit volume area is anticipated to climb 18.2 percent in 1982. Smaller storage space in smaller dwellings will propel the portable vac area, vendors contend. The total floor care area is projected up 0.9 percent in units shipped.

Local legislation requiring smoke detector installation in all homes is keeping that area riding high, with shipments expected to be off only 0.2 percent in 1982. Timer shipments are reported to be on the upswing this year, rising 15 percent. Consumers are purchasing them both as an inexpensive form of security and to save energy.

Hot air corn popper shipments are one of the few plus categories in kitchen electrics (up 12.8 percent). Microwave cookware is expected to continue strong, with shipments up in four out of six categories. Metal cookware and bakeware shipments are generally forecast to drop this year, with the exception of stainless steel. The economy and increased non-stick saturation are blamed for the decreases.

Both of these categories, plus personal care, are more gift-oriented than other housewares categories monitored. A strong fourth quarter could help these product areas exceed what manufacturers are predicting at this time.

Catalog showrooms gain ground

In six of eight product areas tracked, catalog showrooms grabbed a percentage point or two of market share. In most cases, it is at the expense of either or both department stores and discounters. Department stores are continuing their slide in market share in most categories with the exception of clocks (in high-end wall and boutique alarm models), and air treatment (oil-filled heaters, fans and air purification).

Merchandising's statistical projections are gathered in July of each year. A comparison of how accurate manufacturers were able to account for the remaining five months of the year will be published in the March 1983 issue. For a detailed report on each product category see pages 16 through 24.

—**Bill De Siena**
associate editor/housewares

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STATISTICAL MATTER in this survey was collected and compiled by Sylvia [illegible], market research manager, and Roberta Janesz, research associate.

Design: THUMBNAIL GROUP

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Hot air poppers, cooking appliances lead kitchen electrics in gains over 1981

EIGHTH ANNUAL HOUSEWARES STATISTICAL & MARKETING REPORT

KITCHEN ELECTRICS

When retailers are asked what their best-selling kitchen electrics have been this year, they consistently mention "hot air." Hot air corn poppers have experienced steady growth since their debut in 1978. This year, shipments are expected to reach 3,050,000 units, an increase of 12.8 percent over 1981 figures.

As hot air popper shipments have risen, so have popcorn sales. Last year, dealers sold $168 million worth of popcorn for home use, according to figures from the Popcorn Institute. Retail sales, they estimate, could rise 19 percent this year, to $200 million.

Hot air poppers have appealed to health conscious consumers, because the devices do not use oil. Hot oil poppers are forecast to drop 10 percent in units shipped, to 2,766,000 this year. But the introduction of oil poppers that make caramel corn may reverse the slide in shipments next year.

Of all the categories *Merchandising* tracks, kitchen electrics has been hit hardest in 1982. Few bright spots exist in shipment comparisons with last year.

As a result, vendors have cut back on price increases this year while retailers have slashed their prices and margins in an attempt to spark consumer demand.

Many retailers blame declining sales on the lack of new, innovative products—a complaint that has existed for about five years, since donut makers and hamburger makers decorated their shelves. But high interest rates have affected manufacturers, retailers and ultimately consumers, perhaps more than the absence of innovative appliance introductions.

Even in a tough year for the industry, one group of products is ahead of last year. Although griddles and quick grills are forecast to be off 5.3 percent from 1981 units, other cooking appliances are projected to be up. Deep fryers (2.5 percent), frypan/skillets (0.4 percent), hotplates and buffet ranges (4.0 percent), slow cookers (2.3 percent) and toaster ovens with broilers (0.3 percent) are ahead of 1981 figures, suggesting that smaller families are looking to limit oven use whenever possible when preparing meals.

Coffee makers and grinder shipments are projected to increase 0.1 and 2.7 percent, respectively. An interest in fresh-brewed coffee and ADC models with automatic timers and clocks is helping maintain momentum at the consumer level

Food processors fall off

Food processor shipments are predicted to be down 12 percent from last year, the first decrease recorded for the appliance since its debut in 1977.

The food processor has carved its niche in the food preparation area, and it is unlikely that such a steep decrease will continue next year. Consumer reaction to the new array of attachments that vendors are coming up with will have a great effect on the future of the food processor.

Food mixers, performing many of the functions of a food processor, are figured to drop 1.2 percent in units shipped this year over last year. Mixer vendors are also adding attachments to enhance the consumer appeal of their products.

Blenders are projected to come in at 4,654,000 units shipped, down 3.5 percent from 1981.

Countertop convection ovens, year-after-year forecast for substantial growth, are projected off 20.6 percent in units shipped for 1982, at 340,000 total. Vendors' and retailers' attempts to educate the consumer through demonstrations have failed to bring home the message about convection cooking. The price wasn't a deterring factor—a consumer could pay as low as $120 for a stripped-down unit. But most buyers have just not been receptive to carrying convection oven sku's this year.

Total iron shipments are estimated to be 10,917,000 units, a modest increase of 0.3 percent.

The decision to stop production of all-metal irons by three of the four major manufacturers has not affected the 1982 estimates. Full-feature lightweight model shipments could jump 1.8 percent this year, while the standard metal-bodied units will drop off by less than a percentage point in units shipped.

The "big four" vendors in the iron business will have some new competition to face in the total steam & steam/spray area. A Japanese competitor has come in with an all-metal-bodied iron after a successful first-half test market, and another appliance manufacturer has added a promotionally priced plastic-shell iron. These vendors are faced, however, with a strong, brand-loyal category.

Other products registering pluses in shipments this year are single-unit can openers, electric fondues and woks.

KITCHEN ELECTRICS SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Appliance/TV Store	2.5%	2.4%	+0.1
Catalog Showroom	22.8%	21.7%	+1.1
Catalog Store (Sears, Penneys, etc.)	12.4%	10.9%	+1.5
Department Store	11.7%	12.8%	−1.1
Discount Store	28.9%	30.2%	−1.3
Drug Store	4.3%	4.8%	−0.5
Home Improvement Center	1.4%	1.2%	+0.2
Housewares/ Hardware Store	6.0%	6.7%	−0.7
Supermarket	2.2%	2.6%	−0.4
Variety Store	3.6%	4.5%	−0.9
Other	4.2%	2.2%	+2.0

KITCHEN ELECTRICS TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Bag Sealers	2,016,000	2,064,000	−2.3
Blenders	4,654,000	4,823,000	−3.5
Broilers, total	2,215,000	2,435,000	−9.0
With Rotisseries	390,000	420,000	−7.1
Without Rotisseries	1,825,000	2,015,000	−9.4
Can Openers, total	5,495,000	5,544,000	−0.9
Single Unit	2,997,000	2,954,000	+1.5
Combination Units	2,498,000	2,590,000	−3.6
Coffee Grinders	385,000	375,000	+2.7
Coffeemakers, total	12,662,000	12,655,000	+0.1
ADC	8,956,000	8,867,000	+1.0
Automatic (1-16 cup)	2,763,000	2,850,000	−3.1
Party Perc (over 16)	943,000	938,000	+0.5
Convection Ovens (countertop)	340,000	429,000	−20.6
Cornpoppers, total	5,816,000	5,777,000	+0.7
Hot Air	3,050,000	2,703,000	+12.8
Hot Oil, total	2,766,000	3,074,000	−10.0
Buttering	2,191,000	2,450,000	−10.6
Non-Buttering	575,000	624,000	−7.9
Crepe Pans	206,000	242,000	−14.9
Deep Fryers, total	3,027,000	2,952,000	+2.5
Mini	1,624,000	1,642,000	−1.1
Regular	1,403,000	1,310,000	+7.1
Egg Cookers	415,000	428,000	−3.0
Fondues (electric)	178,000	177,000	+0.6
Food Mixers, total	5,264,000	5,330,000	−1.2
Stand Type	1,255,000	1,281,000	−2.0
Portable, Hand Type	4,009,000	4,049,000	−1.0
Food Processors	2,804,000	3,186,000	−12.0
Food Slicers (electric)	491,000	535,000	−8.2
Frypans/Skillets (electric)	2,563,000	2,553,000	+0.4
Griddles/Quick Grills	549,000	580,000	−5.3
Hotplates & Buffet Ranges	839,000	807,000	+4.0
Ice Cream Makers	1,283,000	1,327,000	−3.3
Ice Crushers	190,000	196,000	−3.0
Irons, total	10,917,000	10,882,000	+0.3
Steam & Steam/ Spray, total	10,333,000	10,300,000	+0.3
Standard	5,750,000	5,800,000	−0.9
Full-Feature Lightweight	4,583,000	4,500,000	+1.8
Automatic Dry	381,000	382,000	−0.3
Travel	203,000	200,000	+1.5
Slicing Knives	1,624,000	1,672,000	−2.9
Slow Cookers	5,772,000	5,641,000	+2.3
Toasters, total	8,981,000	9,249,000	−2.9
Two-Slice	4,503,000	4,643,000	−3.0
Four-Slice	1,687,000	1,744,000	−3.3
Toaster Ovens (without Broilers)	833,000	909,000	−8.4
Toaster Ovens (with Broilers)	1,958,000	1,953,000	+0.3
Waffle Irons/ Sandwich Grills	1,112,000	1,141,000	−2.5
Woks (electric)	558,000	550,000	+1.5

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Massager shipments should climb as health care trend continues

EIGHTH ANNUAL HOUSEWARES STATISTICAL & MARKETING REPORT

PERSONAL CARE

Two health care products are expected to lead the personal care category in shipment gains this year: foot massagers/baths and hand-held massagers. Foot massagers/baths shipments should climb 10.8 percent, to 1,598,000 units, up from 1,442,000 the year before. Hand-held massager shipments are expected to rise 9.6 percent, to 1,030,000 shipped by the year-end.

Shower massager unit shipments are also forecast ahead in 1982, up one percent, to 2,131,000.

In beauty care, most categories are expected to show shipments decreasing. Manufacturers blame the lack of new items as a reason for the decline in this gift-oriented area. There is a manufacturer trend, however, to unify all items in a line with the same aesthetics and packaging, which could boost sales in the future.

Competition among vendors is heating up in the electric shaver area. With the reintroduction of a well-established foil-blade shaver into the market, promotional activity has been stepped up at the consumer level—especially toward first-time shavers. Vendors are also looking to lure dealers who have dropped the product because of previously poor margins.

Shaver shipments could total 6,225,000 units, up from 6,179,000 units in 1981. Men's shavers, with the help of strong Father's Day and fourth-quarter promotions, are expected to jump 2.4 percent in units shipped, to five million. Women's shaver shipments, however, are forecast to drop to 1,225,000, off 5.6 percent from a 1981 figure of 1,297,000 units.

PERSONAL CARE
TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Bathroom Scales, total	8,335,000	8,974,000	−7.1
Regular	7,000,000	7,670,000	−8.7
Digital	1,335,000	1,304,000	+2.4
Electric Blankets	5,233,000	5,161,000	+1.4
Curling Brushes	2,096,000	2,117,000	−1.0
Curling Brushes/ Styling Wands	6,200,000	6,339,000	−2.2
Dry	4,300,000	4,198,000	+2.4
Mist	1,900,000	2,141,000	−11.3
Facial Saunas	619,000	620,000	−0.2
Foot Massagers/Baths	1,598,000	1,442,000	+10.8
Hair Dryers, total	18,267,000	18,359,000	−0.5
Pistol	13,300,000	13,008,000	+2.2
Styling	4,000,000	4,308,000	−7.2
Hard Top	567,000	601,000	−5.7
Soft Bonnet	400,000	442,000	−9.5
Hair Setters, total	2,744,000	2,832,000	−3.1
Dry	1,532,000	1,565,000	−2.1
Mist	1,212,000	1,267,000	−4.4
Heating Pads	4,215,000	4,301,000	−2.0
Make-Up Mirrors	1,729,000	1,689,000	+2.4
Massagers, Hand-Held	1,030,000	940,000	+9.6
Massagers, Shower	2,131,000	2,110,000	+1.0
Oral Hygiene Devices, total	1,625,000	1,654,000	−1.8
Water Pulsators	1,091,000	1,114,000	−2.1
Electric Toothbrushes	534,000	540,000	−1.1
Shavers, total	6,225,000	6,179,000	+0.7
Men's	5,000,000	4,882,000	+2.4
Women's	1,225,000	1,297,000	−5.6

Elsewhere in personal care, digital bathroom scales continue to grab market share away from the traditional models. This year's shipments are predicted to be 1,335,000 units, up 2.4 percent over 1981. Electric blankets should increase to 5,233,000 units shipped this year.

Those beauty care products expected to post increases in 1982 include dry curling irons/styling wands and make-up mirrors (2.4 percent each) and pistol hair dryers (2.2 percent). Pistol units are the only hair dryers in the plus column.

PERSONAL CARE
SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Catalog Showroom	31.2%	27.8%	+3.4
Catalog Store (Sears, Penneys, etc.)	6.5%	7.3%	−0.8
Department Store	8.5%	11.1%	−2.6
Discount Store	32.4%	31.8%	+0.6
Drug Store	14.3%	13.7%	+0.6
Housewares/ Hardware Store	4.5%	4.7%	−0.2
Variety Store	2.3%	3.5%	−1.2
Other	0.3%	0.1%	+0.2

HAIR DRYER
SALES BY WATTAGE

	1982	1981	% Pt. Change
Less than 500	0.8%	1.0%	−0.2
500–750	3.8%	6.0%	−2.2
800–950	8.6%	13.0%	−4.4
1,000–1,200	58.8%	52.5%	+6.3
Over 1,200	28.0%	27.5%	+0.5

ELECTRIC SHAVER
SALES BY RETAIL PRICE RANGE

	1982
Under $20	17.5%
$20–$34.99	35.0%
$35–$49.99	32.5%
$50–$75	14.0%
Over $75	1.0%

With the introduction of lower-wattage pistol units for the travel market, the race for more power might be plateauing. But *Merchandising*'s findings report that dryers in the 1,000-watt-plus category will jump 6.8 percent in units shipped by the year-end, compared with last year.

Low-end gas, charcoal grills spark healthy barbecue shipments

OUTDOOR PRODUCTS

Total barbecue grill shipments are projected to inch up slightly in units this year, to 12,366,000, an increase of 1.5 percent over 1981 totals. The growth areas in all grill categories have one factor in common: they are in the low end pricewise.

Gas grill shipments are expected to be up 8.3 percent in units shipped in 1982, reaching 1,600,000. Units priced between $175 and $200 show the most growth. With major manufacturers offering more value in the $100 to $200 price range, consumers are seeing less difference between these units and $300-plus models. The thickness of casting and the type of wood used for accessories may offer more quality in the $300 area, but this means little to most consumers.

For those consumers putting off a new grill purchase, vendors are providing accessories, p-o-p displays for parts and sales programs to encourage the do-it-yourselfer to fix up his existing grill.

Electric grills, many for indoor use, could rise 2.4 percent in units shipped this year, to 130,000. Most vendors admit the product is still a specialty, getting the bulk of distribution through department stores and other such outlets.

Low-end hibachis, picnic grills and braziers starting under $10 retail are experiencing sizeable gains, estimated at 7.5, 3.9 and 10 percent in units shipped this year, respectively.

However, other charcoal products, facing competition from gas equivalents, are falling off in 1982. Charcoal

OUTDOOR PRODUCTS
TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Barbecue Grills, total	12,366,000	12,180,000	+1.5
Gas	1,600,000	1,477,000	+8.3
Electric	130,000	127,000	+2.4
Charcoal, total	10,636,000	10,576,000	+0.6
Braziers	1,128,000	1,025,000	+10.0
Fireplace	5,000	8,000	−37.5
Hibachis	2,464,000	2,293,000	+7.5
Picnic Grills	4,100,000	3,947,000	+3.9
Smokers	2,775,000	3,094,000	−10.3
Wagons	164,000	209,000	−21.5
Electronic Bug Killers	313,000	250,000	+25.0

smokers, their share being eroded by both gas and electric models, are forecast to drop 10 percent to 2,775,000 units shipped. Charcoal wagon shipments are estimated at 164,000, a 21.5 percent drop in unit figures. Gas and electric models, almost meeting charcoal model prices, make it easy for consumers to switch.

L.P. gas dealers are expected to show an increase in market share. They could do as much as 10 percent of the grill business this year, up from 9.6 percent in 1981.

Electronic bug killer shipments are also reported to be strong this year, expecting to jump 25 percent in units from 1981. The market should reach 313,000 units shipped, compared with 250,000 last year. A season of heavy rain throughout the nation, bringing one of the highest insect counts in many years, is said to be causing the rise.

BARBECUE GRILL
SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Appliance/TV Store	7.7%	9.0%	−1.3
Catalog Showroom	10.5%	9.8%	+0.7
Catalog Store (Sears, Penneys, etc.)	22.0%	21.4%	+0.6
Department Store	3.8%	4.4%	−0.6
Discount Store	30.7%	29.4%	+1.3
Home Improvement Center	6.8%	7.2%	−0.4
Housewares/ Hardware Store	5.0%	5.2%	−0.2
L.P. Gas Dealer	10.0%	9.6%	+0.4
Other	3.5%	4.0%	−0.5

BARBECUE GRILL
SALES BY RETAIL PRICE RANGE

	1982	1981	% Pt. Change
Under $100	16.4%	15.7%	+0.7
$100–$200	43.5%	41.2%	+2.3
$201–$300	22.5%	21.8%	+0.7
$301–$400	14.3%	16.8%	−2.5
Over $400	3.3%	4.5%	−1.2

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Four out of six microwave cookware types post 1982 shipment gains

EIGHTH ANNUAL HOUSEWARES STATISTICAL & MARKETING REPORT

COOKWARE

Four out of six microwave cookware areas tracked could show gains for 1982, compared with 1981 figures. Even in a year when microwave oven sales have been off, cookware continues to move off shelves.

The saturation level, measuring the number of dwellings that have microwave ovens, has risen to about 25 percent—not the 28 percent that the industry had predicted a year ago. But the trend of continuing accessory purchases is logical, because microwave owners are becoming more confident with the cooking medium and are buying more items to use in their microwaves.

After receiving or purchasing a few utility pieces when buying the oven, the owner has gone out to supplement his collection. Many users have taken advantage of cooking classes (often free or inexpensive) from dealers. Retailers report they are forced to add new, more challenging classes to satisfy graduates of basic sessions.

If the cooking class or demo is a good one, users will be taught which types of cookware are best-suited for each dish.

Microwave oven purchasers have it much easier than the pioneers did only a few years ago. Their neighbor, relative or friend may have one, and can teach them about using the oven. This too has helped stimulate sales.

Total microwave cookware and bakeware shipments are estimated to be up 3.7 percent over 1981 figures, to 19,210,000 units shipped. Plastic items continue to lead the all microwave areas in forecast growth, with an estimated 7,706,000 units in 1982, up 5.4 percent over the 1981 period.

Ceramic projections follow in second place with a five percent rise in shipments expected. The glass category is estimated by manufacturers to be inching up 3.5 percent in shipments, to 4,320,000 units. Of all the microwave cookware types, glass is one of the more difficult for manufacturers to estimate. Obviously, glass products have been used for regular oven baking for many years. What vendors are estimating here is just how much glass shipped is intended primarily for microwave oven use.

Metal-based microwave cookware is off 10 percent in projected units shipped for 1982. While vendors and retailers alike contend that the active appliance process will help establish the microwave oven as a primary cooking tool, rather than a supplementary one to the regular oven, price points ($15 retail and up) are keeping consumers away. The metal-based cornpoppers, coffee makers, pizza crispers, steamers and cooking racks are here to stay, but the consumers are resisting the purchase because they don't see the value at those price points.

Cookware business sags

Total metal cookware and bakeware shipments are predicted down 7.5 percent from last year, to 102,242,000 units. There was one bright spot, however. Stainless steel cookware climbed 0.5 percent, to 25,320,000 units shipped. The real story behind the increase for stainless, however, is the decrease in aluminum cookware, the largest category.

Aluminum shipments are expected to total 63,315,000 units, down 11.3 percent from 1981 totals of 71,381,000 units.

The most important reason for the decline is the economic conditions affecting the consumer. While buyers report a solid bridal business is being done—even in cookware and electrics—consumers are putting off their own cookware purchases if they think it possible.

Almost as responsible is the continued saturation of the non-stick market. Shipments of metal cookware coated with a "special" non-stick surface are projected at 44,911,000, a drop of 9.4 percent from 1981 figures.

The recent decision to permit an alteration in the SilverStone process, to be used on bakeware, will mean a lower cost for retailers and consumers alike. This may boost shipment totals above present projections. With the licensor's latest decision, is the introduction of SilverStone II far behind? Dealers are hoping for a way of putting margins back into the non-stick coated market.

Consumer purchases have skewed slightly toward more low-end cookware this year. Inexpensive cookware, such as light-gauge metal, is forecast to boost its share 0.5 percent. Moderate-priced cookware, such as heavier-gauge metal with non-stick surfaces, could also pick up 1.5 percent over last year. Expensive cookware, including copper and high-end stainless steel, will likely post a two percent drop in its share of market.

The reason? Vendors blame the economy for this one. Up until now, consumer interest in cookware has been skewing toward very high- or low-end merchandise.

Low-pressure models registered the only gain for the pressure cooker area, at 0.1 percent in units shipped over last year. Regular pressure cookers dropped 14.8 percent in shipments, to 1,643,000 units.

The pressure cooker area in 1981 was ahead of the 1980 period, with vendors reasoning that a poor economy rekindled interest in home canning. Consumers buying lesser-quality meats, they continued, would also be interested in pressure cookers. However, the trend did not build up enough steam to carry it into 1982.

COOKWARE SALES BY CATEGORY

	1982	1981	% Pt. Change
Inexpensive (light-gauge metal, etc.)	27.5%	27.0%	+0.5
Moderate (heavier-gauge metal with SilverStone or other non-stick surface)	50.5%	49.0%	+1.5
Expensive ("gourmet" items in copper, etc.)	22.0%	24.0%	−2.0

COOKWARE TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Metal Cookware and Bakeware, total	102,242,000	110,482,000	−7.5
Aluminum	63,315,000	71,381,000	−11.3
Stainless Steel	25,320,000	25,194,000	+0.5
Enamel	7,009,000	7,130,000	−1.7
Cast Iron	4,247,000	4,378,000	−3.0
Porcelain Enamel on Cast Iron	2,351,000	2,399,000	−2.0
Metal Cookware coated with a non-stick surface	44,911,000	49,571,000	−9.4
Microwave Cookware and Bakeware, total	19,210,000	18,528,000	+3.7
Plastic	7,706,000	7,311,000	+5.4
Ceramic	4,327,000	4,121,000	+5.0
Glass	4,320,000	4,174,000	+3.5
Stoneware	2,042,000	2,094,000	−2.5
Other	437,000	408,000	+7.1
Pressure Cookers, total	2,461,000	2,727,000	−9.8
Regular	1,643,000	1,910,000	−14.0
Low-Pressure	818,000	817,000	+0.1
Electric	294,000	326,000	−9.8
Non-Electric	2,167,000	2,401,000	−9.7

METAL COOKWARE SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Catalog Showroom	13.0%	12.0%	+1.0
Catalog Store (Sears, Penneys, etc.)	9.0%	9.0%	0.0
Department Store	18.0%	20.2%	−2.2
Discount Store	25.0%	24.8%	+0.2
Drug Store	2.0%	0.8%	+1.2
Gourmet/Gift Shop	10.5%	10.7%	−0.2
Housewares/ Hardware Store	8.5%	8.8%	−0.3
Supermarket	6.0%	5.2%	+0.8
Variety Store	2.0%	2.3%	−0.3
Other	6.0%	6.2%	−0.2

MICROWAVE ACCESSORY SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Appliance/TV Store	8.0%	9.7%	−1.7
Catalog Showroom	8.0%	7.3%	+0.7
Catalog Store (Sears, Penneys, etc.)	18.4%	17.3%	+1.1
Department Store	10.7%	13.0%	−2.3
Discount Store	21.0%	20.5%	+0.5
Drug Store	4.0%	2.8%	+1.2
Housewares/ Hardware Store	8.3%	8.0%	+0.3
Microwave Only	8.7%	9.7%	−1.0
Supermarket	6.3%	7.0%	−0.7
Variety Store	4.3%	3.5%	+0.8
Other	2.3%	1.2%	+1.1

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Oil-filled (+81%), kerosene (+53.4%) shipments shine in heater spotlight

EIGHTH ANNUAL HOUSEWARES STATISTICAL & MARKETING REPORT

AIR TREATMENT

Oil-filled and kerosene heaters are expected to record sizeable shipment gains over 1981, at the expense of the remaining portable heater categories. Oil-filled alone is predicted to jump 81 percent, to 400,000 units shipped this year; 220,000 units were shipped in 1981. Kerosene units will climb above the four million mark to 4,038,000, an increase of 53.5 percent over last year.

Retailers and manufacturers reported healthy results with oil-filled radiators this past winter, even though the units were priced over $100 retail. With the entry of at least six more manufacturers into the area, prices have dropped well below the $100 mark. With the drop in price points, the 36.7 percent share of market that department stores should enjoy with oil-filled products this year is likely to erode in 1983 as mass merchants play their follow-the-leader role.

Kerosene heaters are attracting more retailers around the country. Just seven states now forbid the sale of the heaters for use within dwellings.

Both oil-filled and kerosene heaters have presented consumers with a new, efficient way to save energy and reduce fuel bills. As a result, traditional heaters are expected to suffer. This includes quartz (shipments off 13.3 percent from 1981), non-fan-forced (−9.4 percent), fan-forced (−8.2 percent) and baseboard (−5.7 percent).

The total fan area is forecast to be up 2.1 percent this year over last year. The biggest surprise comes from ceiling fans. Originally expected to climb above eight million units shipped, according to many manufacturers, they will not fare so well. The economy and its direct effect on homebuilding have caused industry shipments to inch up just 2.2 percent over 1981, to 4,935,000 units.

Air purifier shipments should continue their steady ascent this year, up 31.4 percent over 1981, to 5,650,000 units. The bulk of the holiday market is still expected to be in the under-$25 retail promotional range, but second-generation purchasers have been trading up to larger capacity models. Ionization-technology purifiers are also making their mark, expected to climb to 550,000 units shipped this year.

As the market for air purifiers increases, the average price of the units sold will rise also. Some companies are already looking toward doctors to prescribe high-end units for some patients.

For now, vendors are assuring steady growth by beefing up ad programs in the fourth quarter. More emphasis is being placed on replacement filter sales as well.

AIR TREATMENT
TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Fans, total	19,681,000	19,283,000	+2.1
Window	5,604,000	5,537,000	+1.2
Kitchen/Bathroom Built-In Exhaust	3,250,000	3,043,000	+6.8
Range and Oven Hoods	2,415,000	2,410,000	+0.2
Desk, Bracket, Pedestal	2,511,000	2,472,000	+1.6
Hassock/ Roll-About	966,000	991,000	−2.5
Ceiling	4,935,000	4,830,000	+2.2
Portable Electric Heaters, total	4,322,000	4,551,000	−5.0
Oil-Filled	400,000	220,000	+81.0
Fan-Forced	2,533,000	2,760,000	−8.2
Non-Fan-Forced	154,000	170,000	−9.4
Baseboard	248,000	263,000	−5.7
Quartz	987,000	1,138,000	−13.3
Kerosene Heaters	4,038,000	2,633,000	+53.4
Humidifiers	899,000	869,000	+3.5
Vaporizers	1,791,000	1,747,000	+2.5
Air Purifiers, total	5,650,000	4,300,000	+31.4
Filtration Devices	5,100,000	N.A.	N.A.
Ionization Devices	550,000	N.A.	N.A.

AIR TREATMENT
SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Appliance/TV Store	1.0%	1.4%	−0.4
Catalog Showroom	12.7%	11.9%	+0.8
Catalog Store (Sears, Penneys, etc.)	18.0%	19.1%	−1.1
Department Store	9.9%	7.7%	+2.2
Discount Store	38.6%	40.0%	−1.4
Drug Store	4.7%	2.4%	+2.3
Home Improvement Center	3.4%	4.6%	−1.2
Housewares/ Hardware Store	11.7%	12.9%	−1.2

OIL-FILLED HEATER
SALES BY TYPE OF OUTLET

	1982
Appliance/TV Store	1.3%
Catalog Showroom	15.0%
Catalog Store (Sears, Penneys, etc.)	8.3%
Department Store	36.7%
Discount Store	16.7%
Drug Store	0.7%
Home Improvement Center	3.0%
Housewares/Hardware Store	18.3%

Promotional activity, hand-held intros propel total vac shipments

FLOOR CARE

A flurry of promotional activity plus hand-held vacuum introductions by major sources jumping into that product category have pushed projected vacuum shipments ahead of last year by 0.9 percent, to 8,117,000 units this year. The 1981 figures, it should be noted, have been revised from those appearing in *Merchandising's* March 1982 60th Annual Statistical and Marketing Report.

To stimulate consumer spending, vendors have been promoting heavily both in national advertising and in-store, via giveaways and demonstrations. Total shipments have been kept stable because of these measures. Otherwise, the floor care market would have been much softer than what is now expected.

The front runner in projected shipment growth for 1982 is uncontested. Lightweight hand-held vacuum cleaner intros by major manufacturers are expected to generate shipment growth of 18.2 percent in this product area this year. Smaller families with smaller living quarters (and smaller storage spaces) are the primary target. Homeowners in search of a second vac for the second or third floor closet are a secondary mark. With prices not exceeding the $100 area, floor care vendors are optimistic this will be a healthy promotional category.

FLOOR CARE
TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Vacuum Cleaners, total	8,117,000	8,041,000	+0.9
Canister	2,588,000	2,696,000	−4.0
Upright	4,077,000	3,887,000	+4.9
Lightweight, total	1,452,000	1,458,000	−0.4
Hand-Held	266,000	225,000	+18.2
Sticks	1,186,000	1,233,000	−3.8
Carpet Sweepers	1,536,000	1,499,000	+2.5
Floor Polishers	396,000	441,000	−10.2

European design is continuing to influence floor care products, especially in the canister area. Canisters, however, are forecast at 2,588,000 units shipped this year—a four percent drop from 1981 totals.

Uprights are expected to reach 4,077,000 units shipped, a rise of 4.9 percent from last year. Lightweight stick vac shipments could fall off modestly, to 1,186,000—down 3.8 percent from 1981 figures.

Carpet sweepers are estimated at 1,536,000 units shipped for all of 1982, an increase of 2.5 percent.

A 10.2 percent drop in units shipped is expected for floor polishers this year. Extraction systems, their figures not yet available, are like floor polishers. Shipments should increase in coming years as professional service and equipment rental fees continue to rise.

Floor care vendors agree on one point: Replacement market consumers are trading up to units with features that their old models lacked.

FLOOR CARE
SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Appliance/TV Store	4.0%	4.2%	−0.2
Catalog Showroom	17.7%	16.8%	+0.9
Catalog Store (Sears, Penneys, etc.)	23.4%	22.4%	+1.0
Department Store	14.7%	18.4%	−3.7
Discount Store	16.3%	14.2%	+2.1
Door-to-Door	7.3%	6.8%	+0.5
Drug Store	0.3%	1.0%	−0.7
Furniture Store	1.3%	2.2%	−0.9
Home Improvement Center	1.3%	2.2%	−0.9
Housewares/ Hardware Store	3.7%	3.2%	+0.5
Vac Shop	8.0%	7.2%	+0.8
Other	2.0%	1.4%	+0.6

FLOOR CARE
SALES BY RETAIL PRICE RANGE

	1982	1981	% Pt. Change
Under $70	33.0%	37.8%	−4.8
$70–100	24.0%	23.4%	+0.6
$101–$150	13.7%	12.0%	+1.7
Over $150	29.3%	26.8%	+2.5

BEST AVAILABLE COPY

Dropping quartz prices boost clock shipments; consumers get greater choice of styles

EIGHTH ANNUAL HOUSEWARES STATISTICAL & MARKETING REPORT

CLOCKS

Spurred by the use of battery quartz movements in every clock category—decorative wall, kitchen wall, alarm and desk/table/occasional—total clock shipments in 1982 are projected at 30,189,000 units, a two percent increase over 1981 totals.

Because quartz clock prices have come down more than 30 percent over the past few years, consumers are now able to purchase a quartz clock at the same price as an electric and some key-winds. The advantages of the quartz movement, without the price differential, has become a reason shoppers make it their choice at the register.

Alarm sales, however, have begun to level off after a few years of substantial growth. About 15,986,000 units are expected to be shipped this year, up only 0.7 percent from 1981's total of 15,880,000. The battery quartz category by itself is still going strong, forecast at 6,629,000 units shipped—an 8.8 percent rise in shipments from last year.

Price competition in the travel alarm category is even more acute this year, as imports from Hong Kong continue to mount, and undercut prices already low because of—you guessed it—quartz.

The decorative wall clock area should move 6,095,000 units in 1982, an increase of 4.9 percent over the 1981 period. The decrease in clock prices has meant bringing better wood and metal finishes below $40. The vast assortment of styles and colors present the consumer with the opportunity to choose the clock model to fit his decor, at lower price points. Kitchen clocks, projected at 7,146,000 units to be shipped this year, follow a similar pattern.

CLOCKS
TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Clocks, total	30,189,000	29,605,000	+2.0
Decorative Wall	6,095,000	5,808,000	+4.9
Electric	1,423,000	1,542,000	−7.7
Battery, total	4,395,000	3,978,000	+10.5
Quartz	3,944,000	3,515,000	+12.2
Non-Quartz	451,000	463,000	−2.6
Key-Wind	277,000	288,000	−3.8
Kitchen Wall, total	7,146,000	6,959,000	+2.7
Electric	2,737,000	2,994,000	−8.6
Battery, total	4,409,000	3,965,000	+11.2
Quartz	4,154,000	3,719,000	+11.7
Non-Quartz	255,000	246,000	+3.7
Alarm, total	15,986,000	15,880,000	+0.7
Electric	6,381,000	6,661,000	−4.2
Battery (Quartz)	6,629,000	6,093,000	+8.8
Key-Wind	2,976,000	3,126,000	−4.8
Desk/Table/ Occasional, total	962,000	958,000	+0.4
Electric	158,000	165,000	−4.2
Battery, total	610,000	568,000	+7.4
Quartz	524,000	483,000	+8.5
Non-Quartz	86,000	85,000	+1.2
Key-Wind	194,000	225,000	−13.8
Analog Clocks, total	24,222,000	23,614,000	+2.6
Decorative Wall	5,691,000	5,339,000	+6.6
Kitchen Wall	7,025,000	6,827,000	+2.9
Alarm	10,573,000	10,520,000	+0.5
Desk/Table/ Occasional	933,000	928,000	+0.5
Digital Clocks, total	5,967,000	5,991,000	−0.4
Decorative Wall	404,000	469,000	−13.9
Kitchen Wall	121,000	132,000	−8.3
Alarm	5,413,000	5,360,000	+1.0
Desk/Table/ Occasional	29,000	30,000	−3.3

One area vendors have hinted to watch is desk clocks. The variety of models, combined with quartz technology, should generate substantial growth over the next two to three years.

Key-wind movements may also do well because they add to the "antique" look of many desk/table/occasional clocks. A mounting interest in this area has already been felt in the European market.

The trend to analog away from digital continues. Decorative wall, kitchen wall and desk/table/occasional digital shipments have all dropped off. Alarms, however, posted a one percent gain over 1981 in digital, and also a 0.5 percent gain in analog units shipped.

CLOCK
SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Catalog Showroom	19.2%	21.0%	−1.8
Catalog Store (Sears, Penneys, etc.)	16.0%	16.8%	−0.8
Department Store	11.2%	11.6%	−0.4
Discount Store	30.2%	28.2%	+2.0
Drug Store	6.0%	5.8%	+0.2
Furniture Store	1.4%	1.4%	0.0
Home Improvement Center	2.6%	2.2%	+0.4
Housewares/ Hardware Store	6.2%	5.8%	+0.4
Jewelry Store	4.8%	4.8%	0.0
Other	2.4%	2.4%	0.0

QUARTZ TRAVEL ALARM
SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Catalog Showroom	29.8%	30.2%	−0.4
Catalog Store (Sears, Penneys, etc.)	10.2%	9.8%	+0.4
Department Store	14.9%	14.4%	+0.5
Discount Store	20.1%	20.6%	−0.5
Drug Store	8.4%	8.4%	0.0
Furniture Store	1.6%	1.6%	0.0
Home Improvement Center	3.0%	3.8%	−0.8
Housewares/ Hardware Store	4.2%	4.2%	0.0
Jewelry Store	7.2%	6.4%	+0.8
Other	0.6%	0.6%	0.0

Security-, energy-conscious consumers spur 15 percent jump in timer shipments

HOME SECURITY

Timers, undisputedly the star in *Merchandising*'s home security study this year, are forecast to show a 15 percent jump in shipments this year over 1981.

Timers remain an inexpensive way of maintaining that "lived-in" look at home when consumers are traveling or at work. Many people are still intimidated by intrusion systems in the $100 retail price range, or just won't spring for one until a burglary actually happens.

Retailers are still reporting a heavy seasonality for timers in the spring and summer months. But with the development of timers that also regulate appliances, such as air conditioners and heaters, sales are picking up in the fall and winter as well. The appeal for saving energy has helped timer shipments jump to an estimated 4,742,000 for 1982.

Intrusion systems are figured to be up slightly in units shipped this year, and so are smoke/fire/intrusion models. They are up 1.5 and 1.4 percent over 1981 figures, respectively. Strong vendor/retailer co-op advertising around the country has been boosting consumer awareness of the products.

Fire extinguishers are also reported up for the current year, to 4,875,000 units shipped compared with 4,710,000 in 1981.

HOME SECURITY
TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Home Security, total	17,862,000	17,079,000	+4.6
Smoke Detectors, total	7,252,000	7,267,000	−0.2
Fire Extinguishers	4,875,000	4,710,000	+3.5
Intrusion Systems, total	618,000	609,000	+1.5
Timers	4,742,000	4,123,000	+15.0
Smoke/Fire/ Intrusion Combos	375,000	370,000	+1.4

Smoke detectors have just about stayed even with last year's totals, following a 13.2 percent increase in units shipped in 1981. State and local legislation requiring smoke detectors in dwellings has been the prime factor for shipments being expected to reach 7,252,000 units in 1982.

Maintaining the pace of over seven million smoke detector shipments a year will be a challenge to the industry. A continuing vendor education program should help drive home the message that more than one smoke detector is needed to ensure safety in the home and office.

Merchandising was unable to break out which security devices are being aimed at vacationers and business travelers, primarily because many of the so-called portable units being sold are simply home models with a hook accessory used to hang them over a hotel door.

HOME SECURITY
SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Catalog Showroom	10.5%	10.0%	+0.5
Catalog Store (Sears, Penneys, etc.)	17.0%	18.9%	−1.9
Department Store	3.5%	5.1%	−1.6
Discount Store	28.7%	25.2%	+3.5
Drug Store	3.0%	2.9%	+0.1
Electronic Specialty Store	2.5%	2.4%	+0.1
Housewares/ Hardware Store	13.7%	13.7%	0.0
Home Improvement Center	12.3%	13.3%	−1.0
Mail Order	2.0%	2.0%	0.0
Variety Store	1.0%	1.1%	−0.1
Other	5.8%	5.4%	+0.4

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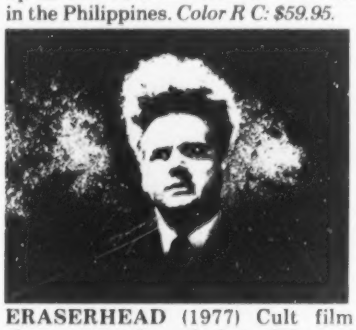
COLUMBIA

AND NOW FOR SOMETHING COMPLETELY DIFFERENT (1972) Compilation of skits from Monty Python's Flying Circus. *Color PG C: $59.95.*

THE BOYS IN COMPANY C (1977) This drama about five men caught up in the Vietnam War was filmed in the Philippines. *Color R C: $59.95.*



ERASERHEAD (1977) Cult film about a couple and their deformed baby uses special effects to create an eerie and mysterious atmosphere. *Color C: $59.95.*

LE SEX SHOP The owners of an exotic book and paraphernalia shop get bored with their routine and use their merchandise to liven up their relationship. *Color R C: $59.95.*

QB VII (1974) Emmy award winning television adaptation of the Leon Uris novel is packaged in three cassettes. *Color C: $139.95*

TAXI DRIVER (1976) Controversial film in which a taxi driver goes on a rampage to rid New York City of its undesirable residents. *Color R C: $69.95.*

EMBASSY

GENEVIEVE (1953) British comedy centering on a car race in which two antique cars are entered. *Color 86 minutes C: $49.95.*

ROMEO & JULIET (1954) This version of the ever-popular love story features Laurence Harvey and Susan Shantall. *Color 138 minutes C: $49.95.*

A TALE OF TWO CITIES (1958) This version of the Charles Dickens classic stars Dirk Bogarde and Dorothy Tutin. *Color 120 minutes C: $49.95.*

MCA VIDEO

CONAN THE BARBARIAN (1982) Conan (Arnold Schwarzenegger) seeks revenge against Thulsa Doom (James Earl Jones) who murdered his parents. *Color 115 minutes R C: $85.95.*

THE HINDENBERG (1975) A fictional account of the tragic historic disaster stars George C. Scott and Anne Bancroft. *Color 125 minutes PG C: $60.95.*

INCOMING FRESHMAN (1979) A naive college freshman discovers very liberal activities and lifestyles during her first year at a co-ed college. *Color 84 minutes R C: $39.95.*

MEDIA

THE ADVENTURES OF THE WILDERNESS FAMILY (1976) Based on a true story, this movie depicts a modern-day family's exodus from Los Angeles to the wilderness. *Color 100 minutes G C: $59.95.*

DEVIL TIMES FIVE (1982) Five children—survivors of a bus crash—take revenge against the adults who committed them to a mental hospital. *Color 87 minutes R C: $49.95.*

PACIFIC ARTS

THE HUNGRY I REUNION Famous comedians including Bill Cosby and Phyllis Diller pay tribute to the San Francisco nightclub where they got their starts. *Color C: $69.95.*

20th CENTURY

DIAMONDS ARE FOREVER (1971) Sean Connery is James Bond in the first 007 movie to use American locations. *Color 119 minutes PG C: $69.95.*

A FUNNY THING HAPPENED ON THE WAY TO THE FORUM (1966) Set in ancient Rome, this comedy stars Zero Mostel, Phil Silvers, Jack Gilford and Buster Keaton. *Color 99 minutes C: $59.95.*

VESTRON

DICK CAVETT'S HOCUS POCUS IT'S MAGIC (1978) Dick Cavett brings together some of the best magicians. *Color 84 minutes.*

THE LAST CHASE (1980) A high speed race car driver (Lee Majors) protests the sterile society he lives in. *Color 106 minutes PG.*

VIDAMERICA

HEY ABBOTT (1978) Features the comedy duo—Abbott and Costello—in some of their most memorable skits. *Color and black and white 90 minutes G C: $59.95.*

JAMES DEAN—THE FIRST AMERICAN TEENAGER (1976) A retrospective look at the 1950's teen idol. *Color and black and white 83 minutes PG C: $59.95.*

KITTY FOYLE (1940) Ginger Rogers won an Oscar for her portrayal of this woman who is torn between love and her desire for business success. *Black and white C: $54.95.*

WARNER

CHARIOTS OF FIRE (1981) This year's Oscar winner relates the desires and passions of the participants in the 1924 Olympic games. *Color 124 minutes PG Rental Only.*

Top 50 revamped

Starting with this issue, *Merchandising's* Top 50 sports a new look and methodology. The new breakdowns are designed to keep pace with the changing focus and technology of the market. To keep the chart as up to date as possible, a Panel of Video Experts has been chosen. These retailers, the pick of the field, are contacted by phone just before press time to ensure results are current.

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

1. **Star Wars** *(20th Century-Fox)* **P**
2. **On Golden Pond** *(20th Century-Fox)* **G**
3. **Sharkey's Machine** *(Warner)*
4. **Ragtime** *(Paramount)*
5. **Absence of Malice** *(Columbia)*
6. **Stripes** *(Columbia)*
7. **True Confessions** *(MGM/UA)*
8. **Jane Fonda's Workout** *(Karl Video)*
9. **Making Love** *(20th Century-Fox)*
10. **Cat People** *(MCA)*
11. **Dragon Slayer** *(MCA)*
12. **Some Kind of Hero** *(Paramount)*
13. **Arthur** *(Warner)*
14. **Superman II** *(Warner)*
15. **Chariots of Fire** *(Warner)*
16. **Shoot the Moon** *(Warner)*
17. **Personal Best** *(Warner)*
18. **Cannery Row** *(MGM/UA)*
19. **The French Lieutenant's Woman** *(Columbia)*
20. **Taps** *(20th Century-Fox)*
21. **Rollover** *(Warner)*
22. **Goldfinger** *(20th Century-Fox)*
23. **Tarzan the Ape Man** *(MGM/UA)*
24. **Stir Crazy** *(Columbia)*
25. **Star Trek—The Motion Picture** *(Paramount)*
26. **For Your Eyes Only** *(20th Century-Fox)*
27. **Richard Pryor Live** *(Vestron)*
28. **Private Lessons** *(MCA)*
29. **Continental Divide** *(MCA)*
30. **9 to 5** *(20th Century-Fox)*

Top 10 in videocassette sales

	Last month's position	months on chart
1. **Jane Fonda's Workout** *(Karl Video)*	14	2
2. **Star Wars*** *(20th Century Fox)* **P**	—	—
3. **On Golden Pond** *(20th Century-Fox)* **G**	1	3
4. **Goldfinger** *(20th Century-Fox)* **G**	1	3
5. **Rocky II** *(20th Century-Fox)*	—	—
6. **True Confessions** *(MGM/UA)*	—	—
7. **Making Love** *(20th Century-Fox)*	—	—
8. **Cat People** *(MCA)*	—	—
9. **Dr. No** *(20th Century-Fox)*	—	—
10. **Paint Your Wagon** *(Paramount)*	—	—

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I—Golden Videocassette award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

***EDITOR'S NOTE:** Star Wars was listed by *Merchandising's* Panel of Video Experts as number two in videocassette sales, even though 20th Century-Fox claims it is not yet for sale.

Top 5 in CED videodisc sales

1. **On Golden Pond**
2. **Superman**
3. **Stripes**
4. **Dr. No**
5. **Diamonds Are Forever**

Top 5 in laserdisc sales

1. **Olivia—Physical** *(MCA)*
2. **Time Bandits** *(Paramount)*
3. **Elephant Parts** *(Pacific Arts)*
4. **The Four Seasons** *(MCA)*
5. **Black Stallion** *(20th Century-Fox)*

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75th ANNIVERSARY

A GRALLA PUBLICATION

Merchandising

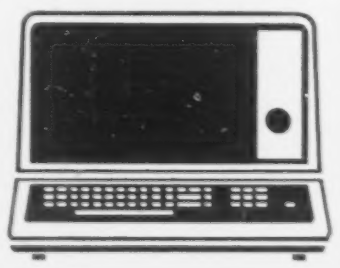
OCTOBER 1982

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

The Coming Boom in Personal Computers

Merchandising readers (representing 650 firms operating 8,274 stores doing $4.65 billion) reveal their plans to jump into or expand in tomorrow's hottest category

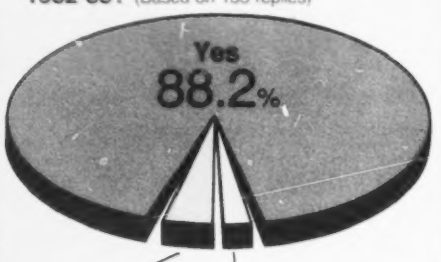
Do you now carry or do you plan to carry personal computers? (Based on 8,274 stores)



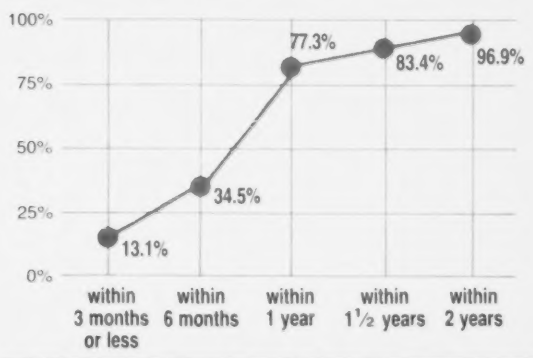
NOW CARRY	10.8%
PLAN TO CARRY	53.9%
NOW CARRY OR PLAN TO CARRY	64.7%

If you now carry personal computers, what change do you expect in volume in 1982? (Based on 42 replies) **+79.6%**

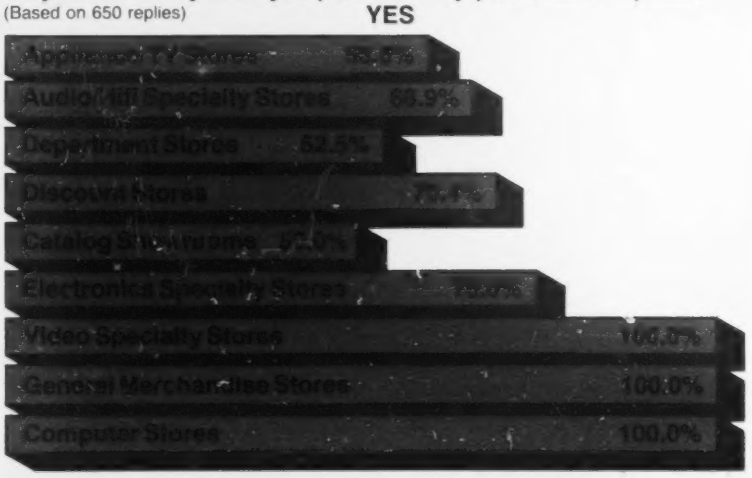
If you now carry personal computers, do you plan to expand your offerings in this category in 1982-83? (Based on 135 replies)



If you do not carry but plan to add personal computers, when do you expect to do so? (Based on 229 replies)



Do you now carry or do you plan to carry personal computers? (Based on 650 replies)



Also in this issue:

- **Renting microwaves can help blaze new frontiers in market penetration**
- **Solomon J. Cooper lays down the law on employee loans, leaves, vacations and resignations**
- **Who's Selling Electronics? Manufacturers break down sales by type of retail outlet**
- **Retailers report: Digital alarms and wall clocks lead the parade in sales**
- **Merchants compare techniques at Video Software Dealers Association inaugural conference**

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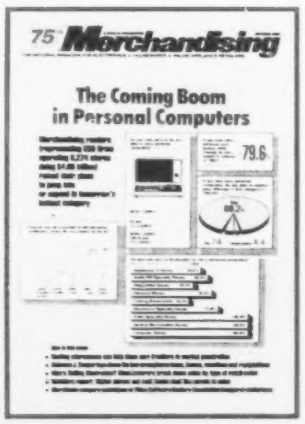
Merchandising

FOR OVER 55,700 RETAILERS & WHOLESALERS
Vol. 7, No. 10

75th ANNIVERSARY



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Publisher's Note

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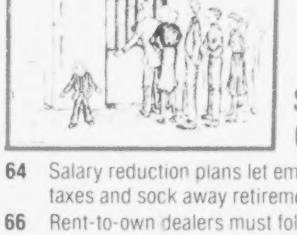

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61.1% of readers polled have or plan to offer personal computers within the next few years

By Bill DeSiena, associate editor

NEW YORK—Here it comes! The boom in personal computer retailing is approaching like a tidal wave.

While today, consumers might have to think twice about where to go to make that first computer purchase, in the near future, they should be able to choose among a wide variety of stores.

More importantly, these stores will represent many types of retail outlets. Consumers who want the full services of a specialty computer store will, of course, be able to shop there.

However, those that prefer to deal with their local audio/hifi specialty store, video dealer or electronics store will find they can buy their computers at those stores. And consumers that want the price advantages offered by a discount house or catalog showroom will probably be able to find computers there as well.

Of the 650 retailers (representing 8,274 stores) polled for *Merchandising's* latest Retail Opinion File, a sturdy 20.8 percent now carry personal computers.

Even more enlightening, however, is the fact that 40.3 percent of those 650 retailers are laying plans to stock computers sometime in the future. That means that 61.1 percent of the retailers represented in the survey have or will have computers on their shelves—and soon.

Looking at the 8,274 stores these retailers represent, a mere 10.8 percent of them actually have computers in stock today. But that should balloon to 64.7 percent in the near future.

Prices are tumbling

Why the boom? One reason is the drop in price personal computers have experienced this year.

Consumers can now buy a basic hardware system for well under $200. One manufacturer, Timex Sinclair, even has a unit for sale for under $100 retail, and has expressed a goal of selling it through a broad variety of retail outlets.

Undoubtedly, these falling prices have accelerated the entrance of many retailers into the computer category.

At present, general merchandise and video specialty stores are the most enthusiastic computer merchandisers among the retailers polled, followed by electronics specialty stores and audio/hifi specialty stores.

Among those planning to enter the business soon, discount stores, appliance/TV stores, department stores and audio/hifi specialty stores appear most eager to get involved.

Those retailers that are already involved today are enthusiastic about the personal computer business. They predicted that their hardware dollar volume will jump 79.6 percent this year compared with last year. Peripheral sales are expected to climb 78.7 percent and software sales 106.3 percent in the same period.

Such rapid growth is being caused by several factors. Of course, the general public is becoming much better attuned to the possibilities of computer ownership. It's hard to pick up a consumer magazine or even a newspaper today without coming across a computer ad or even stories focusing in on personal computers. Even TV viewers this year would find it difficult to keep from learning about computers with the large number of ads being run.

In addition, so many of the retailers polled are recent converts to the business that the category's

(*Continued on page 18*)

Characteristics of the sample:

Type of responding company:

	Number of replies	Percent of response
Appliance/TV Store	415	63.8%
Audio/Hifi Specialty Store	142	21.8
Department Store	40	6.2
Discount Store	27	4.2
Catalog Showroom	10	1.5
Electronics Specialty Store	8	1.2
Video Specialty Store	3	0.5
General Merchandise Store	3	0.5
Computer Store	2	0.3
Total	650	100.0%

Number of stores owned/operated:

	Companies		Stores	
	Number	Percent	Number	Percent
Single-unit	435	66.9%	435	5.3%
Multi-unit	215	33.1	7,839	94.7
Total	650	100.0%	8,274	100.0%

Replies by region:

	Number of replies	Percent of response
Northeast	125	19.5%
North Central	198	30.9
South Atlantic	99	15.5
South Central	113	17.7
West	102	15.9
Puerto Rico, Canada	3	0.5
Total	640	100.0%

Replies by sales volume:

	Number of replies	Percent of response
Under $100,000	23	4.2%
$100,000 - $249,999	48	8.7
$250,000 - $499,999	160	29.1
$500,000 - $999,999	137	24.9
$1 million - $4,999,999	129	23.5
$5 million - $19,999,999	30	5.4
$20 million or over	23	4.2
Total	550	100.0%
Total 1981 sales volume for sample		$4.65 billion
Expected change in 1982		+ 11.4%

Replies by size of selling/display area:

	Number of replies	Percent of response
Under 1,000 sq. ft.	49	7.9%
1,000 - 2,999 sq. ft.	295	47.5
3,000 - 4,999 sq. ft.	144	23.1
5,000 - 6,999 sq. ft.	47	7.6
7,000 - 9,999 sq. ft.	18	2.9
10,000 or more sq. ft.	68	11.0
Total	621	100.0%
Average selling/display area		6,237.8 sq. ft.

Retailers who carry or plan to carry personal computers:

Percent of respondents carrying or planning to carry personal computers. (Based on 650 replies)

		Percent of companies		
	Total	Carry or plan to carry personal computers	Now carry personal computers	Plan to carry personal computers
Single-unit companies	435	56.8%	18.2%	38.6%
Multi-unit companies	215	69.8	26.1	43.7
Total	650	61.1%	20.8%	40.3%

Percent of stores carrying or planning to carry personal computers. (Based on 8,274 stores)

		Percent of stores		
	Total	Carry or plan to carry personal computers	Now carry personal computers	Plan to carry personal computers
Stores	8,274	64.7%	10.8%	53.9%

Percent of respondents carrying or planning to carry personal computers, broken down by type of outlet. (Based on 650 replies)

		Percent of companies		
	Total	Carry or plan to carry personal computers	Now carry personal computers	Plan to carry personal computers
Appliance/TV Store	415	58.6%	17.2%	41.4%
Audio/Hifi Specialty Store	142	66.9	28.2	38.7
Department Store	40	52.5	12.5	40.0
Discount Store	27	70.4	25.9	44.5
Catalog Showroom	10	50.0	20.0	30.0
Electronics Specialty Store	8	75.0	62.5	12.5
Video Specialty Store	3	100.0	100.0	0.0
General Merchandise Store	3	100.0	0.0	100.0
Computer Store	2	100.0	100.0	0.0
Total	650	61.1%	20.8%	40.3%

Retailers look to computer vendors for help

(*Continued from page 16*)
growth is bound to be rapid.

For example, 48.8 percent of the dealers who are selling personal computers entered in the business within six months of the day they answered the questionnaire. Another 16.5 percent had been selling computers for from seven months to a year.

Are they happy? When asked whether they expected to expand the category in 1982-83, a whopping 88.2 percent said yes.

Many need guidance

It is obvious, however, that many of these retailers who will be rushing into the computer market in the next few years are going to need a lot of help. For this, they are going to look to the manufacturers and distributors for everything from sales training to p-o-p displays to guidance as to what to stock.

Training the salesmen is going to be of utmost importance. Of these dealers who say they plan to carry home computers in the future, 88.2 percent say they will have trained salesmen on hand. This compares with 68.4 percent of the present-day computer vendors that offer trained sales help. And of them, only 53.8 percent said they had had training aid from their suppliers.

An executive with an audio/hifi store that stocks one brand of computers noted that he had received no help in training his sales force. A Kansas City-based retailer, having entered the business in May, complained that his salespeople "don't know enough about computers to sell them properly."

"I find that the sales reps aren't knowledgeable enough about the products, to the point where they can explain them to my sales force," said an electronics/jewelry retail executive from Virginia. "If my salespeople cannot be professional on the floor, it will be difficult to sell to the public."

The dealers also asked for better ways to demonstrate a system's capabilities and a larger source of ideas they could offer their customers on how to use the computers once they get them home.

Another source of confusion centered around how much space was necessary to launch a successful computer department.

Some 30 percent, the largest segment, of the retailers planning to enter the market said they thought they would have to allot from 200 to 499 sq. ft. of floor space to computers. Yet the largest group of dealers already selling computers, 26.7 percent, said they devote only 25 to 99 sq. ft. of space to the category.

Asked about software, 52.3 percent of the retailers who said they do plan to offer computers indicated they plan to stock programming as well. Yet they showed a willingness to carry only a limited number of titles. For example, 27.9 percent said they plan to offer nine or even fewer.

There was also some confusion about retail price ranges, with those

Retailers who carry personal computers:

Do you now carry personal computers? (Based on 650 replies)

	Number of replies	Percent of response
Yes	135	20.8%
No	515	79.2%
Total	650	100.0%

What was your total volume in personal computers for each of the following categories in 1981? What change (percent) do you expect in 1982?

	Hardware	Peripherals	Software
Average dollar sales in '81 per respondent	$316,610	$558,412	$119,517
Expected change in '82	+ 79.6%	+ 78.7%	+ 106.3%
Number of replies	42	35	39

What is your best selling retail price for personal computers? (Based on 128 replies)

	Number of replies	Percent of response
Under $250	4	3.1%
$250 - $299	41	32.0
$300 - $399	28	21.9
$400 - $799	20	15.6
$800 - $1,499	14	11.0
$1,500 - $2,499	10	7.8
$2,500 - $2,999	7	5.5
$3,000 or more	4	3.1
Total	128	100.0%
Average (mean) best selling retail price		$833.75
Average (median) best selling retail price		$328.40

Which of the following brands of personal computers do you stock? (Based on 135 replies)

	Number of replies	Percent of response
Commodore	68	65.2%
Atari	73	54.1
Apple	24	17.8
*Texas Instruments	14	10.4
Timex Sinclair	9	6.7
*Zenith	3	2.2
*NEC	3	2.2
*Hewlett Packard	2	1.5
*Altos	2	1.5
*Sharp	2	1.5
*Bally	2	1.5
**Others	9	6.7
		***

*Not on questionnaire.
**Nine others mentioned one time each.
***Adds to more than 100% due to multiple replies.

How long have you been selling personal computers? (Based on 133 replies)

	Number of replies	Percent of response
6 months or less	65	48.8%
7 to 12 months	22	16.5
13 to 18 months	10	7.5
19 to 24 months	10	7.5
25 to 30 months	9	6.8
31 to 36 months	7	5.3
37 to 48 months	7	5.3
More than 48 months	3	2.3
Total	133	100.0%

In your average store, approximately how many square feet of space do you allot to personal computers? (Based on 131 replies)

	Number of replies	Percent of response
Under 25 sq. ft.	29	22.1%
25-99 sq. ft.	35	26.7
100 - 199 sq. ft.	21	16.0
200 - 499 sq. ft.	25	19.1
500 - 999 sq. ft.	13	9.9
1,000 - or more sq. ft.	8	6.2
Total	131	100.0%
Average size of area allotted to personal computers		250.7 sq. ft.

Which of the following are the three most popular peripherals? (Based on 106 replies)

	First		Second		Third		In Top 3
Cassette player	(51)	48.1%	(13)	12.3%	(6)	5.7%	66.1%
Floppy disk drive	(22)	20.7	(17)	16.0	(26)	24.5	61.2
Expanded memory modules	(14)	13.2	(29)	27.4	(18)	17.0	57.6
Printer	(13)	12.3	(22)	20.7	(25)	23.5	56.5
CRT	(6)	5.7	(11)	10.4	(4)	3.8	19.9
Telephone modem	(0)	0.0	(4)	3.8	(14)	13.2	17.0
Not indicated	———		(10)	9.4	(13)	12.3	———
Total	(106)	100.0%	(106)	100.0%	(106)	100.0%	———

Are you using trained salespeople to sell personal computers? (Based on 133 replies)

	Number of replies	Percent of response
Yes	91	68.4%
No	42	31.6
Total	133	100.0%

If you are using trained salespeople, does the manufacturer help train them? (Based on 91 replies)

	Number of replies	Percent of response
Yes	49	53.8%
No	42	46.2
Total	91	100.0%

Do you plan to expand your personal computer merchandise in 1982-83? (Based on 135 replies)

	Number of replies	Percent of response
Yes	119	88.2%
No	10	7.4
Undecided	6	4.4
Total	135	100.0%

not yet involved in the industry showing that they perceive them to be higher than they really are.

About 23.9 percent of the "plan to carry" group figured their best-selling retail price for computers without peripherals would fall between $300 and $499.

Meanwhile, 32 percent of those who already carry computers said the hottest price point actually ranges from $250 to $299.

Retailers planning to get into the market said they expected to stock Atari, Commodore, Apple, Mattel and Timex Sinclair computers first (in that order), followed by a variety of other brands.

Those already selling computers stock Commodore, Atari, Apple, Texas Instruments and Timex Sinclair most often (in that order), again, followed by a number of other brands.

(Editor's note:

It should be noted that Mattel is not yet manufacturing a home computer other than the basic Intellivision videogame. However, the recent news that the firm is considering adding an expanded module to upgrade the unit to a home computer along with speculation that a separate computer system might be introduced at a later date, could be reasons why 41 dealers said they would like to carry a Mattel model.)

Cassette players top list

Would-be computer dealers reported that the top three peripherals they would consider carrying are printers, floppy disk drives and then expanded memory modules. However, the most popular peripherals, said merchants who carry them, are cassette players, floppy disk drives and expanded memory modules, in that order. Cassette players ranked number five on the prospective dealers' lists.

Obviously, the excitement of the retailers who plan to get involved in home computers is accompanied by a good deal of confusion and a lot of questions about the product and the industry. These are questions that must be answered before the dealers can stake their claim in this booming category.

But the interest is there. Thousands of stores are getting ready to make their move into computers. The market is ready. The boom is coming.

STATISTICAL MATTER for this survey was collected and compiled by **Selma Book**, market research manager, and **Roberta Janasz**, research associate.

Retailers who plan to carry personal computers:

Are you considering stocking personal computers in the future? (Based on 515 replies)

	Number of replies	Percent of response
Yes	262	50.9%
No	253	49.1
Total	515	100.0%

If you are considering stocking personal computers in the future, how soon? (Based on 229 replies)

	Number of replies	Percent of response
Within 3 months or less	30	13.1%
Within 6 months	79	34.5
Within 1 year	177	77.3
Within 1½ years	191	83.4
Within 2 years	222	96.9

In your (average) store, how many square feet of space are you likely to allot to personal computer sales? (Based on 209 replies)

	Number of replies	Percent of response
Under 25 sq. ft.	25	12.0%
25 - 99 sq. ft.	32	15.3
100 - 199 sq. ft.	45	21.5
200 - 499 sq. ft.	61	29.2
500 - 999 sq. ft.	38	18.2
1,000 or more sq. ft.	8	3.8
Total	209	100.0%

Average number of square feet to be allotted to personal computer sales per respondent ..... 255.2 sq. ft.

How many different personal computers are you likely to carry? (Based on 194 replies)

Different computers	Number of replies	Percent of response
One	50	25.8%
Two	76	39.1
Three	50	25.8
Four	13	6.7
More than four	5	2.6
Total	194	100.0%

Average number of different computers respondents are likely to carry 2.3

Which of the following brands of personal computers will you stock at first? (Based on 218 replies)

	Number of replies	Percent of response
Atari	120	55.0%
Commodore	91	41.7
Apple	80	36.7
Mattel	41	18.8
Timex Sinclair	25	11.5
*Zenith	20	9.2
*Texas Instruments	10	4.6
*NEC	6	2.8
*Panasonic	4	1.8
*IBM	3	1.4
*Hewlett Packard	2	0.9
*Quasar	2	0.9
*Sony	2	0.9
**Others	10	4.6
		***

*Not on questionnaire.
**Ten others mentioned one time each.
***Adds to more than 100% due to multiple replies

What do you expect will be your best selling retail price for personal computers (excluding peripherals)? (Based on 151 replies)

	Number of replies	Percent of response
Under $250	7	4.6%
$250 - $299	25	16.6
$300 - $499	36	23.9
$500 - $699	30	19.9
$700 - $999	15	9.9
$1,000 - $1,499	13	8.6
$1,500 - $2,499	12	7.9
$2,500 or more	13	8.6
Total	151	100.0%

Average best selling retail price (mean) $854.37
Average best selling retail price (median) $553.33

Which of the following peripherals would you be interested in carrying? (Based on 193 replies)

	Number of replies	Percent of response
Printer	162	83.9%
Floppy disk drive	131	67.9
Expanded memory modules	130	67.4
CRT	125	64.8
Cassette player	125	64.8
Telephone modem	98	50.8
		*

*Adds to more than 100% due to multiple replies.

Will you stock software? (Based on 130 replies)

	Number of replies	Percent of response
Yes	68	52.3%
No	62	47.7
Total	130	100.0%

If you do plan to stock software, how many different titles will you carry? (Based on 68 replies)

	Number of replies	Percent of response
1 - 9 titles	19	27.9%
10-19 titles	17	25.0
20 - 29 titles	17	25.0
30 - 50 titles	7	10.3
More than 50 titles	8	11.8
Total	68	100.0%

Average number of titles 27.4

Do you plan to have trained salespeople selling personal computers? (Based on 246 replies)

	Number of replies	Percent of response
Yes	217	88.2%
No	29	11.8
Total	246	100.0%

EMBASSY

AN EYE FOR AN EYE (1981) Stars Chuck Norris as an undercover policeman fighting San Francisco's underworld and high society. Also stars Christopher Lee and Richard Roundtree. *Color R C: $59.95.*

ESCAPE FROM NEW YORK (1981) New York in 1997 is a maximum security prison where the president is being held by the inmates after his plane crashes in Manhattan. *Color 100 minutes R C: $59.95.*

MCA VIDEO

CHERRY HILL HIGH (1976) On a summer bicycle trip, five co-eds create a contest to see who can lose their virginity in the most original manner. Their prim chaperone, surprisingly, agrees to be the judge. *Color 86 minutes R C: $39.95.*

DEAD MEN DON'T WEAR PLAID (1981) Steve Martin stars as a 1940's private eye in this comic story, which integrates clips from old detective movies. Also stars Rachel Ward, Reni Santoni and Carl Reiner. *Color 91 minutes PG C: $85.95.*

SLAUGHTERHOUSE FIVE (1972) The film adaptation of Kurt Vonnegut Jr.'s best selling novel of a man who has the ability to jump back and forth in time. It stars Michael Sacks and Valerie Perrine. *Color 104 minutes R C: $39.95.*

THE SWORD AND THE SORCERER (1982) Seeking to avenge the death of his family, Prince Talon (Lee Horsley) battles the evil Cromwell and his Sorcerer played by Richard Lynch and George Maharis. *Color R 100 minutes C: $85.95.*

WOODY WOODPECKER AND HIS FRIENDS Cartoon collection includes 10 classics: Knock Knock, Bandmaster, Ski for Two, Hot Noon, Legend of Rockabye Point, Wet Blanket Policy, To Catch a Woodpecker, Musical Moments From Chopin, Bats in the Belfry and Crazy Mixed Up Pup. *Color 80 minutes C: $60.95.*

MGM/UA

THE COMPLEAT BEATLES (1982) A film documentary about the Beatles and their music. It includes rare film footage, interviews and a wide selection of musical performances. *Color 120 minutes C: $69.95 CED: $29.95.*

VESTRON

AGENCY (1979) An advertising agency uses subliminal messages to manipulate audience behavior and opinion. Stars Lee Majors, Robert Mitchum and Valerie Perrine. *Color 93 minutes R.*

BENJI (1977) The movie that made this lovable dog a superstar is a comedy, adventure and romance all in one. *Color 87 minutes G.*

BETWEEN THE LINES (1977) Explores the attitude changes that occur among a group of friends working on a small alternative newspaper. Stars John Heard and Marilu Henner. *Color 101 minutes R.*

HAWMPS (1976) The story of how the West was almost won by the U.S. Cavalry on camels rather than horses. Stars James Hampton and Christopher Connelly. *Color 120 minutes G.*

SILENT PARTNER (1977) Suspense thriller that won six Canadian film awards. Stars Elliot Gould, Christopher Plummer and Susannah York. *Color 103 minutes R.*

THORN

EVIL UNDER THE SUN (1981) Peter Ustinov portrays detective Hercule Poirot in this film adaptation of Agatha Christie's "who done it." *Color 102 minutes PG C: $79.95.*

ELVIRA MADIGAN Swedish film about two lovers lost in a self-absorbed romance. *Color 90 minutes PG C: $59.95.*

LAVENDER HILL MOB (1951) Alec Guiness is a shy bank clerk who conspires with a frustrated sculptor (Stanley Holloway) to steal one million pounds of gold bars from the Bank of England. *Black and white 78 minutes C: $59.95.*

VCI

NIGHTMARE IN WAX (1969) A madman turns the visitors to his museum of horrors into frozen wax figures. *Color 95 minutes C: $49.95.*

REDEEMER (1977) Six classmates, all considered sinners, are chosen to attend a reunion, unaware that they will each meet their deaths in gruesome and graphic ways.

TERROR (1979) A mysterious force exerts supernatural kinetic powers upon members of an entire family who meet with violent deaths by objects hurled through the air. *Color 85 minutes R C: $54.95.*

TOWER OF EVIL (1972) A crazed madman kills off the visitors to a small island off the coast of England, including a group of unsuspecting archaeologists searching for ancient gold. *Color 86 minutes R C: $54.95.*

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

		Last month's position	Months on chart
1.	**Chariots of Fire** *(Warner)*	15	2
2.	**Star Wars** *(20th Century-Fox)* **P**	1	2
3.	**Arthur** *(Warner)*	13	2
4.	**Cat People** *(MCA)*	10	2
5.	**Jane Fonda's Workout** *(Karl Video)*	8	2
6.	**On Golden Pond** *(20th Century-Fox)* **GI**	2	2
7.	**Taxi Driver** *(Columbia)*	—	1
8.	**True Confessions** *(MGM/UA)*	7	2
9.	**Some Kind of Hero** *(Paramount)*	12	2
10.	**Ragtime** *(Paramount)*	4	2
11.	**Absence of Malice** *(Columbia)*	5	2
12.	**Sharkey's Machine** *(Warner)*	3	2
13.	**Excaliber** *(Warner)*	—	1
14.	**Cannery Row** *(MGM/UA)*	18	2
15.	**Body Heat** *(Warner)*	—	1
16.	**Boys in Company C** *(Columbia)*	—	1
17.	**Butterfly** *(Vestron)*	—	1
18.	**Rocky** *(20th Century-Fox)*	—	1
19.	**Conan the Barbarian** *(MCA)*	—	1
20.	**Personal Best** *(Warner)*	17	2
21.	**Making Love** *(20th Century-Fox)*	9	2
22.	**The French Lieutenant's Woman** *(Columbia)*	19	2
23.	**Dragonslayer** *(Paramount)*	—	1
24.	**Private Lessons** *(MCA)*	28	2
25.	**The Seduction** *(Media)*	—	1
26.	**Rollover** *(Warner)*	21	1
27.	**Eyewitness** *(20th Century-Fox)*	—	1
28.	**Prince of the City** *(Warner)*	—	1
29.	**Partners** *(Paramount)*	—	1
30.	**Caddyshack** *(Warner)* **G**	—	1

Top 10 in videocassette sales

1.	**Jane Fonda's Workout** *(Karl Video)*	1	3
2.	**Arthur** *(Warner)*	—	1
3.	**Star Wars** *(20th Century-Fox)* **P**	2	2
4.	**On Golden Pond** *(20th Century-Fox)* **GI**	3	2
5.	**Cat People** *(MCA)*	8	2
6.	**Rocky II** *(20th Century-Fox)*	5	2
7.	**Taxi Driver** *(Columbia)*	—	1
8.	**Star Trek: The Wrath of Khan** *(Paramount)*	—	1
9.	**Abbott and Costello Meet Frankenstein** *(MCA)*	—	1
10.	**Winnie the Pooh** *(Disney)* **I**	—	1

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I—Golden Videocassette award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

Top 5 in CED videodisc sales

1.	**On Golden Pond** *(20th Century-Fox)* **G**	1	2
2.	**Stripes** *(Columbia)*	—	1
3.	**Jane Fonda's Workout** *(RCA)*	—	1
4.	**Dr. No** *(20th Century-Fox)*	4	2
5.	**Star Wars** *(20th Century-Fox)* **P**	—	1

Top 5 in laserdisc sales

1	**Star Wars** *(20th Century-Fox)* **P**	—	1
2.	**Olivia—Physical** *(MCA)*	1	2
3.	**Time Bandits** *(Paramount)*	2	2
4.	**The Jazz Singer** *(Paramount)*	—	1
5.	**Black Stallion** *(20th Century-Fox)*	5	1

Cash in on exhibitors' p-o-p items with World's Fair theme

By Stephanie Flory, associate editor

KNOXVILLE—Retailers can latch onto profitable publicity by tying point-of-purchase materials to products displayed at the Energy Saving House at the 1982 World's Fair. The house features power-saving products from Speed Queen, Kero-Sun, National Presto, Patton and Fedders/Climatrol as well as other suppliers.

Some 5,000 to 8,000 people are visiting the house daily, according to Larry Heard, chief executive officer of Conergy, which coordinated the display. Audio/visual presentations offer energy-saving tips and visitors are invited to fill out a card to obtain further information about products in which they are interested.

The World's Fair will be open until Oct. 31. However, retailers can continue to capitalize on this product exposure by:

- Placing point-of-purchase materials related to the World's Fair with products which are shown in the Energy Saving House. Many suppliers are providing easel cards, banners and even pot holders emblazoned with the World's Fair logo;
- Using a World's Fair theme to advertise products displayed in the house, and
- Obtaining video modules and presentation equipment from Conergy in Knoxville to use for in-store displays. For example, a one-minute segment might show customers how to interpret the energy-rating tags found on washing machines.

About 50 manufacturers of residential products that can conserve energy are exhibiting items in the house, Heard pointed out. Each supplier paid $20,000 to $50,000 to participate in the exhibit.

"The Energy Saving House allowed suppliers to collaborate on a cooperative basis," he commented. "A single company would have had to shell out a minimum of $500,000 to present a separate exhibit during the fair."

Among the exhibitors in the house, Speed Queen is showing washer HA 6001 and dryer HE 7000. The two units are being promoted together as the "Fair Pair," according to Arthur Ellis, advertising and sales promotion specialist.

"We have a strong program available for dealers," he stated. Speed Queen will provide ad mats which picture the units and say "featured in the Energy Saving House at the 1982 World's Fair." Radio ad copy is also available.

P-o-p items available

In addition, dealers can opt to purchase 100 banners for $10, 100 hang tags for $8, 25 easel cards for $10, 100 buttons for $12, 50 pot holders for $25 or 500 balloons for $30 to promote the units. Co-op funds can be credited towards purchases.

"Fair Pair" T-shirts are also available. The cost for adult shirts is $4 and a child's shirt is $3.50. Minimum order is one dozen pieces.

"The products displayed in the Energy Saving House have evoked a good response from Speed Queen dealers and distributors," Ellis stated. "We've already seen a marked increase in sales."

"The World's Fair has a synergistic effect on sales," explained John Nasif, director of sales promotion for Kero-Sun. "Everyone realizes the importance of the fair. People relate well to items displayed there."

Kero-Sun is showing a vented heater system, Monitor 30, and the Sunstream portable heater in the Energy Saving House. "Dealers should display these products in their stores and play up the fact that they are displayed at the World's Fair," he suggested. Print reproduction material is available to interested dealers.

National Presto is featuring a pressure cooker and quartz heater model 7870 in the house, according to Walter Tyberg, vice president of sales. "The Energy Saving House exposure provides tremendous advertising potential for both products," he stated.

Point-of-sale materials for the pressure cooker and quartz heater are available. Dealers can also obtain ad mats from National Presto to promote these products.

To boost sales of its ventilation and heating products, Patton is exhibiting the Heater Plus Fan line and the Window Plus Floor line of fans, stated

EXHIBITORS ARE OFFERING ad mats, banners, t-shirts and giveaways emblazoned with the World's Fair logo to retailers.

William Hunt, vice president of marketing.

The World's Fair insignia will appear in ad mats for Patton products. In addition, a 30-second television commercial was test marketed in California for six weeks. Patton products shown in the house were promoted in the commercial.

Fedders/Climatrol is presenting a heat pump/water heater in the house. The unit can reduce water heating costs by 50 percent, according to Jay deSibour, director of advertising. Suggested retail is $600.

The firm is also exhibiting the vapor compression device, which operates as a solar product or off of ground water. It can be used as an air conditioning unit or for heating. It is available in four sizes, and suggested retail prices range from $1,200 to $3,000, deSibour stated.

Educates consumers

To continue to educate consumers about energy conservation after the World's Fair ends, Conergy has developed an in-store video module which features products displayed in the Energy House, according to Heard. Conergy will lend interested retailers the necessary hardware—a television screen, an Apple computer and a videodisc player.

The system will provide a "menu" of various categories of energy conservation, Heard explained. "If the consumer pushes the button for appliances, for example, he will see a list of those on display in the Energy Saving House. Then the consumer may select "washer," and next push the button for a certain manufacturer.

A one-minute presentation on various energy-saving topics is provided by each participating supplier. For example, a major appliance manufacturer might show a spot on how consumers can interpret tags on washing machines.

Currently, Conergy is testing this system in home centers. "It should be available to other retailers this month," Heard said.

Dealers must pay a small fee to obtain the video module. The equipment to play the module can be borrowed from Conergy for six months.

The module and equipment are available on a limited distribution basis. Interested retailers can contact Larry Heard at Conergy at 615/584-2178.

DOE says 'no' to mandatory standards for appliances

By Bob Gatty,
Washington correspondent

WASHINGTON, DC—In a move applauded by industry, the Department of Energy (DOE) has proposed dropping the idea of mandatory energy standards for home appliances. The plan was launched during the administration of former President Carter.

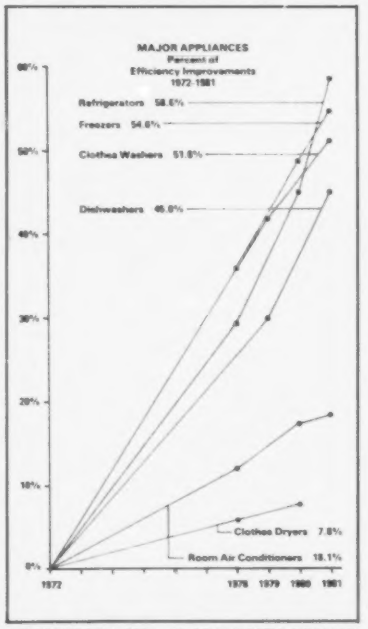
The 1978 National Energy Conservation Policy Act required the department to set conservation standards or to determine that none are needed. The DOE has thus determined that mandatory standards would neither be cost-effective nor would they result in sufficient energy savings to justify imposition.

If the DOE makes its ruling final, it will not, however, affect the EnergyGuide labeling requirements of the Federal Trade Commission (FTC). New appliances must bear a label showing the amount of energy needed to run them and the energy costs for comparable models.

Appliance manufacturers have long contended that free market forces are all that is needed to spur development of energy-efficient appliances. They point to the great strides made over the past decade and are confident this trend will continue as consumers become more energy conscious. The FTC labels are sufficient requirements, they say.

AHAM backs DOE

"We agree with DOE's findings that standards are not needed," said Marian Johnson, director of public and consumer relations for the Association of Home Appliance Manufacturers (AHAM). "The main reason is that we feel the industry has demonstrated that it is serious about improving the energy efficiency of its products."



SIGNIFICANT IMPROVEMENTS were made by manufacturers in appliance efficiency from 1972 through 1981, as shown in the chart above.

Johnson had figures to prove her point. Data compiled by appliance manufacturers and submitted to the government showed dramatic improvement in energy efficiency from 1972 to 1981. Refrigerators improved 58.6 percent; freezers 54.6 percent; clothes washers 51.6 percent; dishwashers 45 percent, and room air conditioners 18.1 percent.

In the same 10-year span, electric rates jumped 63.2 percent and gas rates increased 132.5 percent.

The FTC labeling program has increased consumer awareness of product efficiency. That, coupled with ever-rising energy rates, said Johnson, will lead consumers to demand more efficient appliances. She pointed to appliance ads which now prominently feature energy saving data.

AHAM believes energy standards would unnecessarily impose a double financial burden on consumers. As taxpayers, they would pay for the development and implementation of the program and as consumers they would bear higher retail costs as manufacturers pass on compliance costs.

Vendors mix standards

Industry sources are firmly behind a "no standards standard" and echo Johnson's reasons.

"There is ample evidence that people are turning to energy-conserving products without regulation," said Russell Sasnett, manager of regulatory relations for General Electric.

And mandatory energy standards could boomerang, cautioned Michael Thompson, manager of government relations for Whirlpool.

"Clothes dryers and ranges operate at near 100 percent efficiency right now," he said, adding that energy standards might result in a loss of features in appliances.

For example, eliminating an oven window might increase the energy efficiency of a range, he said, but without a window, the cook is more likely to open the oven door to check the food—thus losing any energy saved. More insulation might help efficiency, but it would probably come

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Servicing and selling refurbished trade-ins provides 30 percent of net profit for dealer

By Nancy Markov, managing editor

SAN DIEGO—"We take appliances on trade-in, then refurbish, service and sell them," said Warren Thompson, president, San Diego Appliance, Inc. "It's an area where the mass merchants don't dare to venture."

Tactics like this keep the one-unit operation afloat in a market area which, Thompson said, has witnessed the fallout of six independent appliance/TV dealers in the past year due to extra-competitive pricing and the high cost of operations.

Margins on new appliances are tight, he commented, ranging as low as 14 percent at times. Reconditioned models, on the other hand, "are considerably more profitable." Consequently, this category represents about 10 percent of the store's gross income, and 30 percent of the net profit.

Just about any appliance a customer wants to trade in is accepted at San Diego Appliance. Then a crew of eight servicemen begin cleaning, scraping down, repairing and refinishing the units to get them ready for resale.

If an appliance is just not worth fixing, its usable parts are cannibalized for other models.

The appliances are advertised up to three times nightly during late-hour TV shows with Thompson himself starring in the spots.

Takes trade-ins

San Diego Appliance takes most of the appliances customers offer as trade-ins but qualifies the value based on a number of questions the customer is asked while he is in the store.

These include: How old is the appliance? What brand is it? What condition is it in? Was it serviced recently? Why is it being traded in? and Are any parts broken?

"We don't travel to appraise the appliance," noted Thompson. "If we find that the customer hasn't told us the truth about a unit, we just won't accept it. It's like any contract."

A 1950'S REFRIGERATOR in a contemporary color like almond is just one of the refurbished units that consumers can find at San Diego Appliance. Used models are scraped down, refinished, painted and serviced, and then sold at profitable margins.

The appliance's size, manufacturer and condition are all taken into consideration when determining how much the customer is paid. But generally, a washing machine will bring the customer about $20; a gas dryer, $35; an electric dryer, $15, and a working refrigerator, $40 to $80.

"We put in the parts, the labor and then sell it with a guarantee," reported Thompson. The reconditioning costs plus trade-in allowance generally amount to about half of the retail price.

The entire lot behind the store sports rows of appliances awaiting attention. It looks much like a used car lot.

The work, however, takes place in the 10,000-sq.-ft. service department in the back of the store.

Up to eight people work in the service and reconditioning area where appliances receive whatever treatment they need. Ranges, for example, are treated to an acid bath to remove grease and are then reassembled.

There is a "check room" to see how well each appliance is working. Parts from non-working machines are cannibalized for use on models in better condition. Where necessary, appliances are scraped down, refinished and painted. Pointed out Thompson, "Where else can a customer find a 1950's refrigerator in a contemporary color like almond?"

Up to 50 percent of the store's 15,000 sq. ft. of display space is allocated to used appliances, so customers have a large selection to choose from.

Those who purchase a used unit are given a 90-day warranty on parts and labor on the appliance as well as a 30-day exchange option on the model they buy.

Promotes on TV

"Would you like to buy a 1976 refrigerator?" is the type of approach used in Thompson's TV commercials. He promotes the used appliances in the spots himself, dressed as a serviceman.

Two to three spots are run per night, during the late hours between midnight and 6 a.m. when the rates are down. The cost per 30-second spot is $25.

While one may question the size of a late-night viewing audience, enough people are watching, said Thompson. "We've been advertising this way for 15 years."

ROWS OF APPLIANCES, awaiting service and refurbishing, fill the lot behind San Diego Appliance, says Warren Thompson, president.

Major Appliance Trendings appears on page 8

Consumers would end up paying for energy standards

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try is constantly striving to improve energy efficiency on its own. He also warned that standards would place a heavy financial burden on manufacturers and eventually on consumers.

"I don't know what standards this administration might propose," he said, "but two years ago a different administration proposed standards that would have cost Whirlpool $121 million in additional compliance costs. Industry-wide compliance costs could have run as high as half a billion dollars."

Thompson compared Consumer Price Index figures for the past 10 years to show that manufacturers have made strides in energy efficiency without dramatic rises in cost. The CPI for energy costs has risen 258 percent while goods and services have increased by half that. The CPI for appliances, however, has risen only 55 to 60 percent, he said.

In designing and manufacturing appliances, energy is only one factor to be considered, albeit an important one, noted Thompson.

"We are in the best position to get the most efficiency out of a product for the lowest cost," he said.

Studies done by Whirlpool on a product-by-product basis indicated that standards weren't economically justified and that no significant energy savings would be made.

State standards opposed

Manufacturers are anxious for the DOE to state clearly that no standards are necessary in hopes this will stop state efforts to establish their own mandatory rules. Several have already done this and others are considering them.

"The danger is having a patchwork quilt of 50 state standards," said Walter Bennett, manager, press and public relations of GE's Major Appliance Division. "It would be extremely difficult for manufacturers to comply with them. If the DOE, with all of its resources and investigations, decides that standards are not needed, why should it have to be done in the states?"

Agreeing that complying with differing state standards would be "horrendous," AHAM's Johnson declared, "Despite claims of states rights, the DOE has a rightful role here. Interstate commerce is involved. The DOE's ruling will establish a national forum so states seeking an exemption can present their case and the manufacturers can present their side. The door remains open for special cases."

Thompson said he believes that no standards regulation will be adopted, but he foresees lawsuits by conservation groups, some of whom have been urging the DOE to establish requirements. Some have charged that foreign imports outperform domestic models in efficiency, a claim manufacturers vigorously deny.

In addition, the DOE's expected final decision not to establish a standard has stirred some congressional interest, according to DOE spokeswoman Barbara Flemming. As a result, she said, there may be some changes in the DOE's final decision, "but I don't think they will require standards."

Thirteen product groups are affected by the ruling. They include refrigerators, refrigerator/freezers, freezers, dishwashers, clothes dryers, water heaters, room air conditioners, home heating equipment, televisions, kitchen ranges and ovens, clothes washers, humidifiers/dehumidifiers, central air conditioners and furnaces.